

BOARD OF DIRECTORS

(As on 30th May 2014)

Dr C G Krishnadas Nair	Director
Mr R N Chawhan	Director
Dr J M Debnath	Director
Mr S Santhanam	Director (from 29 th March 2014)
Mr Rajeev Sikka	Chairman & Managing Director

KEY MANAGERIAL PERSONNEL

Mr Rajeev Sikka	Managing Director
Mr Dinesh Balaraj	Vice President, Advanced Engineering Division
Mr Kunal Sikka	Chief Financial Officer

AUDITORS

Shekar & Yatish
Chartered Accounts

BANKERS

Canara Bank

REGISTERED OFFICE

3 Gangadharchetty Road,
Bangalore 560 042

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building,
1, Club House Road,
Chennai 600 002

CORPORATE IDENTITY NUMBER

L29190KA1985PLC007363

NOTICE

Notice is hereby given that the Twenty Eighth ANNUAL GENERAL MEETING of Sika Interplant Systems Limited ("the Company") will be held on Thursday, 25th September, 2014 at 10.00 a.m. at Hotel Ajantha, 22, M.G. Road, Bangalore 560001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2014 together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31st March 2014.
3. To appoint a Director in place of Dr. J.M. Debnath (DIN: 00902929), who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and to authorise the Board to fix their remuneration for the financial years 2014-2015 to 2016-2017, subject to ratification in every Annual General Meeting till the year 2016-17. M/s Shekar & Yatish (ICAI Firm Registration No. 008964S), Chartered Accountants, Bangalore, retire at this meeting and being eligible offer themselves for reappointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Dr. C.G. Krishnadas Nair (DIN: 00059686), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed an Independent Director of the Company for a period of 5 (five) consecutive years from the conclusion of this AGM."

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

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. R.N. Chawhan (DIN: 00568833), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed an Independent Director of the Company for a period of 5 (five) consecutive years from the conclusion of this AGM."

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

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. S. Santhanam (DIN: 02685291), who was appointed an Additional Director of the Company with effect from 29th March 2014 by the Board of Directors and who holds office up to the date of this AGM under Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Independent Director of the Company, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby appointed an Independent Director of the Company for a period of 5 (five) consecutive years from the conclusion of this AGM."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Clause 10 of the Company's Articles of Association, and subject to such other consents, approvals and permissions, if any, as may be required, the Company hereby approves of the reappointment and terms of remuneration of Mr. Rajeev Sikka (DIN: 00902887) as the Chairman and Managing Director of the Company for a period of 3 (three) years from 1st April 2015 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial year closing on or after 31st March 2014, during the tenure of Mr. Rajeev Sikka as the Chairman & Managing Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Rajeev Sikka the above remuneration by way of salary, bonus and other allowances as a minimum remuneration subject to the limits prescribed under Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of his appointment and / or remuneration in such manner as may be agreed to between the Directors and Mr. Rajeev Sikka, subject to the limits prescribed under Section 197, read with Schedule V of the Companies Act, 2013."

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Clause 10 of the Company's Articles of Association, and subject to such other consents, approvals and permissions, if any, as may be required, the Company hereby approves of the appointment and terms of remuneration of Mr. Kunal Sikka (DIN: 05240807), who was appointed as the Chief Financial Officer (CFO) of the Company with effect from 24th October 2011, as a Whole Time Director, in addition to being CFO, of the Company for a period of 3 (three) years from 1st October 2014 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, and shall not be liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Whole Time Director of the Company.

RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial year closing on or after 31st March 2014, during the tenure of Mr. Kunal Sikka as a Whole-Time Director and CFO of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Kunal Sikka the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of his appointment and / or remuneration in such manner as may be agreed to between the Directors and Mr. Kunal Sikka, subject to the limits prescribed under Section 197, read with Schedule V of the Companies Act, 2013.”

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the Company hereby ratifies the remuneration of Rs. 30,000/- plus service tax payable to M/s. KSS, VKG and Associates, who are appointed as Cost Auditors (Registration No. M/3517) of the Company to conduct Cost Audits for the Financial Year 2014-15.”

For and on behalf of the Board

Bangalore, 06th August, 2014

Kunal Sikka
Chief Financial Officer

NOTES:

- The information required to be provided under the Listing Agreement entered with the Stock Exchange regarding the Director who is proposed to be appointed/re-appointed is annexed hereto.
- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
- The Register of Members and Share Transfer Book so the Company will remain closed from 22nd September 2014 to 25th September 2014 (both days inclusive).
- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.
- Members/proxies should bring the attendance slips duly filled in and signed for attending the meeting.
- Explanatory Statement as per Section 102 (1) of the Companies Act, 2013, is annexed hereto.
- Re-appointment of Director: Details of the Director proposed to be re-appointed (Item No.3) in the forthcoming AGM (in pursuance of Clause 49 of the Listing Agreement) is given hereunder:

Dr. J.M. DebNath, is a B.Tech (Hons) from IIT Kharagpur and holds Masters and Ph.D in Engineering from The University of Southampton, UK. He joined the Board of Directors of the Company on 12th December 2001. He has over 40 years of aerospace experience encompassing design, research and development, and certification of helicopters and fixed-wing aircraft. Dr. Debnath is not a director in any other company.

For and on behalf of the Board

Bangalore, 06th August, 2014

Kunal Sikka
Chief Financial Officer

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

Item Nos. 5 to 7

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchange, appointed Dr. C.G. Krishnadas Nair and Mr. R.N. Chawhan as Independent Directors at various times, in compliance with the requirements of the said clause. In addition, Mr. S. Santhanam was appointed as an Additional Director of the Company by the Board of Directors on 29th March 2014. As such, Mr. Santhanam holds office as Director up to the date of the forthcoming Annual General Meeting and is eligible for appointment as an Independent Director.

Pursuant to the provisions of section 149 of the Companies Act, 2013 ("the Act"), which came in to effect from 1st April 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. The Remuneration and Nomination Committee has recommended the appointment of these directors as Independent Directors for a further period of 5 (five) years from the conclusion of this AGM.

Dr. C. G. Krishnadas Nair, Mr. R.N. Chawhan and Mr. S. Santhanam, non-executive directors of the Company, have given declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

A brief profile of the Independent Directors to be appointed is given below:

Dr. C.G. Krishnadas Nair is a B.Tech from IIT Chennai and holds Masters and PhD in Engineering from University of Sask, Canada. Dr. Nair is a former Chairman of Hindustan Aeronautics Limited. He is widely recognized in the field of aeronautics both in India and abroad and was elected President of Aeronautical Society of India (1995-97). He is the Chancellor of International Institute for Aerospace Engineering Management and founded the Society of Indian Aerospace Technologies & Industries (SIATI). He has authored several books in Engineering Technology and Management and has published over 200 Research & Technology and Management papers in National and International journals. A fellow of the Indian National Academy of Engineering, Dr Nair was conferred with the Padmashri Award for outstanding contributions in Engineering Science and Technology. He is also Director of Brahmos Aerospace Thiruvananthapuram Ltd, Global Vectra Helicorp Ltd, TATA Advanced Materials Ltd, Titan Industries and Titan Time Products Ltd.

Mr. R.N. Chawhan is a B.Com from SB Commerce College, Gulbarga (Gold Medallist) and holds a Masters in Commerce from Karnataka University, Dharwad. Mr Chawhan has also completed a "Programme on Investment Appraisal and Management" from Harvard University, USA. He has extensive experience in financial services and project execution. Following twenty distinguished years at the Karnataka State Financial Corporation (KSFC), he successfully thereafter served for fifteen years at the Karnataka State Industrial Investment and Development Corporation (KSIIDC). His designation at KSIIDC prior to retirement in 2006 was that of Executive Director. Thereafter, Mr Chawhan has taken on a number of roles in private industry, including as the President of Bangalore based MRG Group, which is engaged in various activities in the real estate sector.

Mr. S. Santhanam holds a Bachelors of Science and is a Certified Associate of Indian Institute of Bankers. Mr Santhanam is a former General Manager of Canara Bank. He is an experienced banker with a diverse experience, having special exposure in Treasury, Forex, International Operations, Credit (Retail & Corporate) areas. He was in-charge of Treasury operations of the Bank, responsible for maintaining of statutory requirements and also contributed towards profitability of the Bank by way of propriety trading. Based on his Treasury experience, he was assigned with the job of handling Treasury operations on a secondment for three years at another Public Sector Bank to head their Treasury Operations. In addition, he also served as Secretary to the Board of the Bank. Mr Santhanam was a Member on the Board of Directors of Fixed Income Money Market & Derivatives Association (FIMMDA).

In the opinion of the Board, each of these directors fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

Dr. C.G. Krishnadas Nair, Mr. R.N. Chawhan and Mr. S. Santhanam, respectively, are concerned or interested in the Resolutions mentioned at Item Nos. 5 to 7 of the accompanying Notice relating to their own appointment. None of the other Directors or Key Managerial Personnel or their respective relatives is concerned or interested in these items of business.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 8

Pursuant to the provisions of Section 309, 198 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII, Mr Rajeev Sikka was re-appointed as Chairman & Managing Director of the Company for a period of five years effective from 1st April 2010, as approved by the members at the Annual General Meeting held on 30th September 2009.

Mr Rajeev Sikka is a Graduate with Joint Honours in Engineering and Management Sciences from the University of Strathclyde, Glasgow, UK, and has been the Managing Director of the Company since 1986 and its Chairman since 2005. Over the years, your Company has grown organically into an established engineering industry that is focused on advanced technology projects and services for the Aerospace, Defence and Automotive sectors, and Mr Rajeev Sikka has played a pivotal role in the Company's successes.

Considering the involvement of Mr Rajeev Sikka in the Company's overall management and business development, the Board strongly recommends the re-appointment of Mr Rajeev Sikka as the Chairman & Managing Director of the Company for the next 3 (three) years with effect from 1st April 2015 on such salary and perquisites and terms and conditions as set out hereinafter:

SALARY

Salary per month in the scale of ₹1,00,000 to ₹1,50,000.

PERQUISITES & ALLOWANCES

House Rent Allowance: ₹ 50,000 per month.

Medical Reimbursement: Medical expenses will be paid by the Company for him and his family, viz. wife, dependent children and dependent parents at actuals, subject to a ceiling of one month's Salary.

Leave Travel Allowance: He will be reimbursed the expenses incurred on actual basis, subject to a ceiling of one month's Salary, for himself, his wife, dependent children and dependent parents.

Club Fees: Club fees will be paid subject to a maximum of two clubs, which will not include admission and life membership fees.

Provident Fund/Superannuation/Gratuity: As per Company rules

Motor Car: He will be provided with free use of car with driver.

Telephone: He will be provided with telephone facility at his residence. Use of the telephone for personal long distance calls to be billed by the Company.

Earned Leave & Encashment: As per Company rules.

Allowances: A Special Allowance not exceeding ₹ 6,00,000 per annum will be paid.

Performance Incentive:

As decided by the Remuneration Committee and the Board from time to time. However, the overall remuneration including performance incentive should not exceed the maximum as prescribed in Schedule V of the Companies Act, 2013.

Except Mr Rajeev Sikka and Mr. Kunal Sikka, CFO, none of the other Directors or Key Managerial Personnel or their respective relatives is concerned or interested in these items of business in the Resolution proposed at Item No. 8 of the Notice.

This may also be regarded as an abstract of terms and memorandum of interest under Section 190 of the Companies Act, 2013.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

A copy of the draft Letter of Appointment is available for inspection by the shareholders at the Registered Office of the Company on any working day during the office hours till the date of the meeting.

Item No. 9

Mr Kunal Sikka was appointed as Chief Financial Officer (CFO) of the Company from 24th October 2011, as approved by the members at the Annual General Meeting held on 30th September 2011.

Mr Kunal Sikka is a BBA with a specialisation in Real Estate Finance and Management from the University of Wisconsin-Madison, USA. Prior to joining the Company in 2011, he worked with Goldman Sachs for nearly 6 years in their New York, London and Singapore offices, with his experience across capital markets, financing, foreign exchange and real estate investing.

Considering the involvement of Mr Kunal Sikka in the Company's financial management and business development, the Board strongly recommends the re-appointment of Mr Kunal Sikka as the Whole-Time Director & CFO of the Company for the next 3 (three) years with effect from 1st October 2014 on such salary and perquisites and terms and conditions as set out hereinafter:

SALARY

Salary per month in the scale of ₹ 75,000 to ₹ 1,00,000.

PERQUISITES & ALLOWANCES

House Rent Allowance: ₹ 50,000 per month.

Medical Reimbursement: Medical expenses will be paid by the Company for him and his family, viz. wife, dependent children and dependent parents at actuals, subject to a ceiling of one month's Salary.

Leave Travel Allowance: He will be reimbursed the expenses incurred on actual basis, subject to a ceiling of one month's Salary, for himself, his wife, dependent children and dependent parents.

Club Fees: Club fees will be paid subject to a maximum of two clubs, which will not include admission and life membership fees.

Provident Fund/Superannuation/Gratuity: As per Company rules.

Motor Car: He will be provided with free use of car with driver.

Telephone: He will be provided with telephone facility at his residence. Use of the telephone for personal long distance calls to be billed by the Company.

Earned Leave & Encashment: As per Company rules.

Allowances: A Special Allowance not exceeding ₹ 5,00,000 per annum will be paid.

Performance Incentive:

As decided by the Remuneration Committee and the Board from time to time. However, the overall remuneration including performance incentive should not exceed the maximum as prescribed in Schedule V of the Companies Act, 2013.

Except Mr Rajeev Sikka and Mr. Kunal Sikka, none of the other Directors or Key Managerial Personnel or their respective relatives is concerned or interested in these items of business in the Resolution proposed at Item No. 9 of the Notice.

This may also be regarded as an abstract of terms and memorandum of interest under Section 190 of the Companies Act, 2013.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

A copy of the draft Letter of Appointment is available for inspection by the shareholders at the Registered Office of the Company on any working day during the office hours till the date of the meeting.

Item No. 10

The Company is required under section 148 of the Companies Act, 2013 to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. KSS, VKG and Associates (Membership No. 3517) as the Cost Auditors of the Company to conduct cost audits of the Company for the year ending 31st March, 2015, at a remuneration of Rs. 30,000/- plus service tax.

M/s. KSS, VKG and Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. The Board commends the remuneration of Rs. 30,000/- plus service tax to M/s. KSS, VKG and Associates as the Cost Auditors for the Financial Year 2014-15 and the approval of the shareholders is sought for the same by way of an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

For and on behalf of the Board

Kunal Sikka
Chief Financial Officer

Bangalore, 06th August, 2014

DIRECTORS' REPORT

To the Members,

The Directors are pleased to present the Twenty-Eighth Annual Report of the Company and the Statement of Accounts for the year ended 31st March 2014.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Total Income	2203.26	750.29
Profit (Loss) before Tax and Depreciation	239.41	117.30
Provision for Taxes	67.39	26.50
Depreciation	33.87	25.79
Profit (Loss) for the Year After Tax and Depreciation	138.14	64.01
Earnings per Share (in ₹)	3.26	1.51

OPERATIONAL REVIEW

During the year under review, your Company achieved Total Income of ₹ 2203.26 Lakhs as compared to ₹ 750.29 Lakhs during the previous Financial Year. After considering Interest, Depreciation, Foreign Exchange (Loss) / Gain and Tax, the Company has Net Profit of ₹ 138.14 Lakhs for the current year as against Net Profit of ₹ 64.01 Lakhs in the previous year.

As can be seen, both your Company's turnover and net profit increased as compared to the previous year, despite a continued deterioration in the domestic macroeconomic environment during the last Financial Year. The return of your Company to a strong growth path was driven by the positive returns from a customer focused business development approach combined with the successful completion of "unrealised" engineering effort relating to ongoing orders at the end of the previous Financial Year.

Like in previous years, the last Financial Year also saw significant investments have been made in building infrastructure, design software, information systems, and design and development activities for the future benefit of your Company.

DIVIDEND

The Directors of your Company recommend a dividend of 8% (₹ 0.80 per share) subject to the approval of the Members. The dividend has been increased (from 6% in the previous year) in view of the good financial performance of the Company.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public under section 58A of the Companies Act 2013.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchange, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate are included in the Annual Report.

DIRECTORS

Dr. J.M. Debnath, Director, retires by rotation and being eligible, has offered himself for reappointment.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Dr. C.G. Krishnadas Nair and Mr. R.N. Chawhan as Independent Directors of the Company. In line with this, during the year, Mr. S. Santhanam was appointed as Additional Director on 29th March 2014, and as per the provisions of Companies Act, 1956, he holds office only up to the date of forthcoming AGM of the Company. In this regard, the Company has received requisite notice in writing from a Member proposing Mr Santhanam for appointment as an Independent Director of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from 1st April 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office for a period of 5 (five) consecutive years from the conclusion of this AGM as mentioned in the Notice.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act 2013, the Directors' Responsibility Statement is given hereunder:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- ii. The Directors have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.

SUBSIDIARY COMPANIES

As on the date of this report, the company has the following subsidiary companies:

1. Sikka n Sikka Engineers Private Limited
2. EMSAC Engineering Private Limited
3. Sika Tourism Private Limited
4. Sterling Technologie Pte Ltd (Singapore)

The Ministry of Corporate Affairs, Government of India, has granted a general exemption to Companies from attaching the Annual Accounts in respect of its subsidiary companies. The Annual Accounts of the subsidiary companies and other relevant information shall be made available for inspection at the Company's Registered Office.

As required under the Listing Agreement with the Stock Exchange, in accordance with the Accounting Standard (AS 21), the audited consolidated financial statement of the Company forming part of this report is attached hereto.

AUDITORS

M/s. Shekar & Yatish (ICAI Firm Registration No. 008964S), Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of the forthcoming AGM, and being eligible offer themselves for reappointment.

As required under Section 224 of the Companies Act, 2013, M/s. Shekar & Yathish have furnished a certificate of its eligibility for reappointment.

PARTICULARS OF EMPLOYEES

There is no employee whose particulars are required to be given under Section 217(2A) (a) of the Companies Act 2013 read with the Companies (Particulars of Employees) Rules, 1975.

DISCLOSURES PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 2013

The information as required under the above Section is given in Annexure and forms part of this Report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the support which the Company has received from its customers, shareholders, promoters, lenders, business associates, vendors, and the employees of the Company.

For and on behalf of the Board of Directors

Rajeev Sikka
Chairman & Managing Director



**ANNEXURE TO THE DIRECTORS' REPORT
INFORMATION PURSUANT TO SECTION 217 (1) (e) OF
THE COMPANIES ACT 2013**

1. Conservation of Energy

The operations of the Company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.

2. Technology Absorption, Adaptation and Innovation

Technology absorption and adaptation continues to be at core of the Company's objectives and associated strategy. During the year the Company has developed new designs to meet requirements of customers. The research and development efforts of the Company are customer need based and hence it is a continuous process. Because of its in-house R&D efforts the Company was able to deliver the best solutions to the customers in cost effective manner. As your Company continues to be involved in advanced research and development (R&D), the Company is taking steps to obtain approval as a recognised R&D Centre from the Council of Scientific and Industrial Research, Department of Science & Technology, Government of India.

3. FOREIGN EXCHANGE EARNING AND OUTGO

The Company earned ₹ 3,29,11,806/- (previous year ₹ 2,48,95,043/-) in foreign exchange during the year. The foreign exchange outgoes amount to ₹ 10,00,25,315/- (previous year ₹ 3,23,09,688/-).

For and on behalf of the Board of Directors

Bangalore, 06th August, 2014

Rajeev Sikka
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

THE ECONOMY

Growth in the Indian economy has had been spiralling downward from 9.5% in FY 2011 to around 4.5% in FY 2014. The effects of near term macro instability in the country appears to have diminished with the narrowing of twin deficits – current account and fiscal, rebuilding of the foreign exchange reserves, strengthening of the rupee, all of which point towards a disinflationary path for Indian economy.

However, with the change in the Government at the centre with full majority, it is expected that the policy paralysis that plagued India will change for the better. With the expectation of growth oriented programs from the new government in terms of removing structural impediments, building business confidence and creating environment in the country to support investment, Indian GDP and the Indian aerospace & defence and automotive industries may grow well in the coming years.

COMPANY OVERVIEW

Sika Interplant Systems Limited (Sika) is actively involved in Advance Engineering includes engineering (design and development), manufacturing, assembly and testing, projects and systems integration, and maintenance, repair and overhaul (MRO). Additionally, your Company's in-house capabilities in technology development and production are complemented by tie-ups with international partners. The majority of our Company's business is catered to serving the Aerospace & Defence (A&D) and Automotive sectors.

Building on its established expertise in systems integration, documentation and certification, your Company is working on a number of prestigious Indian projects within the A&D sector. Under these typically long lifecycle programs, Sika offers its customers design, development, manufacturing, assembly, testing, certification, supply and integration of systems, and implementation of the projects. In addition, the Company has set up facilities to provide MRO for its own products and, with the backing of its customers, with foreign partners to provide MRO services for their A&D products in India.

Your Company is one of the select private enterprises with design approval from the Center for Military Airworthiness and Certification (CEMILAC). Sika has also been granted an Industrial License for Defence production from the Government of India, which enables it to undertake these projects and also qualifies the Company for offset programs. The opportunity from offsets in the coming years is expected to be considerable, with avenues likely to be available both in manufacturing and services.

The Company has a professional and experienced team comprised of a variety of backgrounds to ensure that we focus on ensuring that products delivered are of the highest quality, matched by strong after-sales support. In line with this, during the last Financial Year your Company successfully maintained its AS9100 (Rev C) certification, which is a widely adopted and standardised quality management system for the aerospace industry globally.

In recent years your Company has been focused on building advanced facilities to expand its operational base to keep pace with the fast paced development of the A&D sector in India, and Sika is now well positioned to meet the requirements of both potential international partners and domestic projects.

Within the automotive sector, your Company continues to undertake projects to supply critical capital equipment to a significant number of the major automobile manufacturers across the country.

INDUSTRY STRUCTURE AND DEVELOPMENT

India's geopolitical scenario and compulsions, real or perceived, are driving a relentless transformation of its A&D industry. The biggest growth driver is India's burgeoning expenditure in India's Defence budgets; the year 2012 marked a decade of full-fledged entry of the private sector in Defence production. The decade also witnessed India emerge as one of the most attractive A&D markets in the world with a steady increase in the Ministry of Defense's budget for modernization of the armed forces. With the world's third largest armed forces, India's Defence budget is around 2.1% of its GDP.

India continues to be one of the top Defence spending countries in the world and spends about 40% of its total Defence budget on capital acquisitions. With its Defence spending and aviation market growth rate of estimated 18% (CAGR), this would put the country, in very near future, among one of the top five A&D markets in the world. The sector's growth is also fuelling a MRO market that alone is expected to grow 10% annually and reach \$2.6 billion by 2020.

The Indian government will continue to focus on indigenization

OPPORTUNITIES AND THREATS

The country's Defence expenditure has been increasing with big-ticket deals and massive modernization programs, the latter in response to the urgent need to enhance the deterrent and operation capabilities of the armed forces through up gradation/modernization of existing equipment, as well as additional acquisitions of 'state of the art' equipment. The large scale of the market provides a significant opportunity for foreign original equipment manufacturers (OEMs), Indian industries and SMEs.

Around 70% of our Defence requirements are met through imports. The need for a self-reliant Defence sector and a sharp focus on minimising dependence on imports is seeing the continued opening up of the sector for private participation. In 2001, the government opened this sector to private and foreign investors and set a challenging target of achieving 70% indigenisation. This focus on indigenization should gather pace, with the new government having re-emphasised the importance of this endeavour.

The implementation of the DPP, including its series of amendments, seeks greater engagement of domestic enterprises and SMEs in Defence and internal security. The offset clause stipulates that a minimum of 30% of the import purchase value is required to be spent on Indian components, sub-systems and products. The latest DPP revision also provides for increasing the share of local purchases through prioritisation of the "Buy India" clause.

It is estimated that during the next decade India will buy close to USD 100 billion worth of fighter aircraft, radars, missiles and warships. Though it is difficult to reach a clear estimate on the value of offsets which will be involved with this huge Defence Imports, never the less the offsets figures could well be above USD 30 billion. The implementation of this value of offsets is both a challenge and an opportunity for the Indian Defence industry.

Most of the threats to the domestic A&D industry are rooted on the policy front. These include slippages on the fiscal front, lengthy procurement and evaluation processes, controversies related to corruption and disputes over short listing in competitive bids. These will serve to delay acquisition plans of the armed forces and impact timing of execution of already long-dated projects.

Additionally, despite the size of the Defence market in India, the government's Defence budget, the 30% offset clause, the Defence Production Policy espousing indigenisation and pronouncements regarding self-reliance seem promising for the private Defence industry as well, the lack of level playing field for the private sector vis-a-vis the DPSUs and the foreign OEMs—especially continues to be a dampener on the efforts of the private sector to be able to contribute meaningfully to the Indian growth story. There remains an urgent requirement for the government rationalise the current disadvantageous system of taxes and duties applicable to supplies from the private sector.

OUTLOOK

The overall outlook for next Financial Year (2014-15) looks positive. As discussed above, we expect that the combination of a continued increase in domestic Defence spending and the opportunity from offsets—aided by the 1.5x multiplier made available for MSMEs—coupled with the investments made in expanding your Company's operating base will provide us with a solid platform for sustained and consistent growth in our business over the coming years.

RISKS AND CONCERNS

Any delays from the Ministry of Defence (MoD), Government of India, in the execution of A&D projects associated with it, shortfalls in planned Defence outlays, adverse changes to government policy, etc. could directly have a direct impact on the activities of the Company and consequently on its revenues. Further, as many of these projects are initiated by the MoD driven by its own policies and priorities, the continued progression of these into long-term programs with a definitive quantum of orders depends largely on the government's decisions. This results in an uneven and skewed pattern of sales for the Company, which is beyond the control of the Company.

Also, your Company's increasing exposure to international markets brings with it inherent risks like Foreign Currency Risk and Interest Rate risk. In addition, there are various external risk factors like a prolonged slowdown in India and/or the global economy, change or delay in domestic economic reforms, political instability, hostilities, natural disasters, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

We believe the Company has a proper and adequate internal control system in place to ensure that all activities and transactions are monitored, authorized, recorded and reported correctly. An Internal Audit system is in place to conduct a regular check and review accounting methodologies with a view to improving the control systems. The Audit Committee of the Board of Directors has appraised the adequacy of internal controls.

SEGMENT WISE PERFORMANCE

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products, projects and designs.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Human Resources (HR) remained a key focus area for your Company during the year under review various human resource (HR) initiatives are taken to align the HR policies to the requirement of the business. The Company provides employees with a fair and equitable work environment and support to develop their capabilities. We are also focused on bringing in new talent and competencies to aid the Company's growth strategy.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, figures, expectations and predictions may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

The company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your Company has long recognised the importance of Corporate Governance practices that help ensure an environment of honesty, integrity and transparency combined with effective oversight and strong accountability. The Company endeavours to provide its stakeholders with timely information relating to the affairs of the Company together with complete transparency. The Company complies with various statutory requirements/provisions and is committed to good corporate governance.

2. BOARD OF DIRECTORS

As on 31st March 2014, the Company had 5 Directors, comprising 3 Non-Executive Directors (NEDs) and 2 Executive Directors. These Directors bring a wide range of skills and experience to the Board.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are as follows:

Name of the Director	Category	No. of Board Meetings Attended	Attended Last AGM	No. of other Directorships and Committee Positions Held		
				Director #	Committee Member *	Committee Chairman *
Dr C G Krishnadas Nair	Independent, Non-Executive	5	No	6	1	3
Mr R N Chawhan	Independent, Non-Executive	5	No	1	-	-
Mr S Santhanam (w.e.f. 29th March 2014)	Independent Non-Executive	-	NA	-	-	-
Dr J M Debnath	Executive	6	Yes	-	-	-
Mr Rajeev Sikka, Chairman & Managing Director	Executive	6	Yes	-	-	-

excludes Alternate Directorships and directorships in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act 2013.

* Only Audit Committee and Shareholders'/Investors' Grievance Committee are considered for the purpose of Committee positions as per the Listing Agreement. None of the Directors is a member in more than 10 committees, nor a Chairman in more than 5 committees across all companies in which he is a Director.

Six Board meetings were held during the year 2013-14 and the gap between two meetings did not exceed four months. The Board meetings were held on 13th May 2013; 30th May 2013; 12th August 2013; 14th November 2013; 27th January, 2014; and 29th March 2014.

The information as required under Annexure 1A to Clause 49 of the Listing Agreement is being regularly placed before the Board.

Details of shares of the Company held by Non-Executive Directors as on 31st March 2014 are as below:

Name of the Director	Number of Shares
Dr. C.G. Krishnadas Nair	80,000
Mr. R.N. Chawhan	-
Mr. S. Santhanam	-

The Company pays remuneration by way of salary, perquisites and allowance to its Executive Directors. No remuneration is paid by way of commission to any Non-Executive Director. No remuneration is paid to any Non-Executive Director other than sitting fees of ₹ 2,500/- (revised to ₹ 5,000/- with effect from 1st April 2014) each for attending Board and Committee Meetings by Non-Executive Directors.

Details of remuneration paid to Directors for the year 2013-2014:

Name of the Director	Category	Sitting Fees (Gross) (₹)	Compensation * (Gross) (₹)
Dr. C G Krishnadas Nair	Non-Executive, Independent	12,500	-
Mr. R N Chawhan	Non-Executive, Independent	12,500	-
Mr. S. Santhanam	Non-Executive, Independent	-	-
Dr. J M Debnath	Executive	-	-
Mr. Rajeev Sikka	Executive	-	22,00,472

includes salary, perquisites and any ex-gratia payments.

3. AUDIT COMMITTEE

The composition of the Audit Committee and the details of meetings attended by its members is as follows:

Sl. No	Name of the Director	Category	No. of Meetings Attended
1.	Mr R N Chawhan, Chairman	Non-Executive, Independent	5
2.	Dr C G Krishnadas Nair	Non-Executive, Independent	5

The Audit Committee met 5 times during the year under review on 13th May 2013, 30th May 2013, 12th August 2013, 14th November 2013, and 27th January, 2014.

The terms of reference of the Audit Committee are to is to overview the accounting systems, financial reporting and internal controls of the company, in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchange. The Company also complies with the provisions of Section 177 of the Companies Act 2013 pertaining to Audit Committee and its functioning.

Chairman & Managing Director and Chief Financial Officer are invitees to the meeting of the Audit Committee. The Audit Committee also invites such other executives as it considers appropriate (and particularly the head of the finance function) to be present at its meetings.

4. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are as follows:

Sl. No	Name of the Director	Category	No. of Meetings Attended
1.	Mr R N Chawhan, Chairman	Non-Executive, Independent	Nil
2.	Dr C G Krishnadas Nair	Non-Executive, Independent	Nil

During the year there was no meeting of the members of the Nomination and Remuneration Committee and there has been no change in the Remuneration Policy of the Company.

The broad terms of reference of the Nomination and Remuneration Committee are to recommend the remuneration package for Executive Directors as well as the remuneration payable to the Non-Executive Directors, considering criteria such as industry benchmarks, financial performance of the Company, performance of the respective Director, etc.

There was no circumstance warranting the meeting of nomination and remuneration committee during the year under consideration.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are as follows:

Sl. No	Name of the Director	Category	No. of Meetings Attended
1.	Dr C G Krishnadas Nair, Chairman	Non-Executive, Independent	4
2.	Mr R N Chawhan	Non-Executive, Independent	4
3.	Mr Rajeev Sikka	Executive	4

The Stakeholders Relationship Committee met 4 times during the year under review on 11th May 2013, 12th August 2013, 14th November 2013, and 27th January 2014. All the members of the Committee were present in all of these meetings.

The Committee monitors redressal of complaints from shareholders. The Committee also approves and monitors transfer, transmissions, and consolidations etc. of shares issued by the Company.

There were no complaints received by the Company during Financial Year 2013-14:

Description of Complaint	No. of Complaints received during the period under review	No. of Complaints redressed during the period under review
Non receipt of shares after transfer	Nil	Nil
Non receipt of demat credit	Nil	Nil

During the year 9 requests for dematerializations were received and approved by the Company. No valid transfer / transmission of shares were pending as of 31st March 2014.

Mr Satish .K.S is the Compliance Officer of the Company.

6. CODE OF CONDUCT

The Board has framed a Code of Conduct for the Directors and Senior Management of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

7. GENERAL BODY MEETINGS

The particulars of the last three Annual General Meetings held as under:

Financial Year	Day & Date	Time	Venue	No. of Special Resolutions passed thereat
2012-13	Friday, 27 th September, 2013	10.00 a.m.	Hotel Ajantha, 22, M.G. Road, Bangalore 560 001	1
2011-12	Friday, 28 th September, 2012	4.00 p.m.		-
2010-11	Friday, 30 th September, 2011	11.00 a.m.		1

No postal ballot was conducted during the Financial Year 2013-14. No Extra-ordinary General meeting was held.

8. DISCLOSURES

- i) The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, or relatives etc. during the year that may have potential conflict with the interests of the Company.
- ii) During the last three years, there were no penalties imposed nor strictures passed on the Company by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any statutory authority for any non-compliance related to the capital markets.
- iii) The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- iv) In terms of Clause 49(V) of the Listing Agreement, the Managing Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

9. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are published in a widely circulated national newspaper. The BSE website (bseindia.com – Scrip code 523606) and the website of the Company, www.sikaglobal.com, also contains relevant information.

No presentations were made to Institutional Investors or to Analysts during the year under review.

10. GENERAL SHAREHOLDER INFORMATION

- i) **Annual General Meeting:** The AGM is scheduled to be held on Thursday, 25th September 2014 at Hotel Ajantha, 22, M.G. Road, Bangalore 560 001
- ii) **Financial Year:** 1st April 2013 to 31st March 2014
- iii) **Directors seeking appointment / re-appointment:** As required under Clause 49(IV)(G), particulars of Directors seeking appointment / reappointment are given in the annexure to the Notice of the AGM.
- iv) **Book Closure:** 22nd September 2014 to 25th September 2014(both days inclusive)
- v) **Dividend Payment Date:** Within 30 days from the date of AGM subject to Members' approval at the AGM.
- vi) **Listing on Stock Exchange:** Company's equity shares are listed on BSE Limited, Mumbai.
- vii) **Listing Fees:** Listing fees as prescribed have been paid to BSE Limited for the year 2013-14.
- viii) **Scrip Code** Bombay Stock Exchange Limited – 523606
- ix) **ISIN:** International Securities Identification Number – INE438E01016
- x) **Address for Correspondence:** 3 Gangadharchetty Road, Bangalore 560 042
- xi) **Market Price Data:**

High, Low during each month of the Company's equity shares during the last Financial Year (April 2013 to March 2014) at the Bombay Stock Exchange Limited are given below:

Month	High (₹)	Low (₹)
April 2013	22.80	20.05
May 2013	24.05	21.05
June 2013	23.00	20.95
July 2013	22.10	22.05
August 2013	23.15	21.90
September 2013	22.95	19.00
October 2013	25.25	24.05
November 2013	29.00	25.20
December 2013	26.00	24.00
January 2014	40.40	24.00
February 2014	39.30	30.90
March 2014	41.00	31.50

- xii) **Registrars and Transfer Agents:** Cameo Corporate Services Limited
Subramanian Building,
1, Club House Road,
Chennai 600 002
- xiii) **Share Transfer System:** Dematerialisation requests are normally confirmed within an average of 15 days from the date of receipt. Shares received for transfer in physical mode are processed and valid transfers are approved within prescribed time limit. Duly transferred share certificates are generally dispatched within 30 days from the date of receipt.
- ixiv) **Dematerialization of Shares:** Trading in equity shares of the Company is permitted only in dematerialised form. As of 31st March 2014, 96.26% of the Company's equity shares were held in dematerialised form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

xv) Distribution of Shareholding of the Company as on 31st March, 2014:

Category	No. of Shareholders	No. of Shares Held	Percentage
Promoters	5	3,03,9415	71.68
Foreign institutions & Banks	0	0	0.00
Financial institutions & Banks	0	0	0.00
Bodies Corporate	46	2,20,079	5.19
Indian Public	2367	9,78,884	23.09
Individual Foreign	2	1449	0.03
Clearing Member	3	348	0.01
Total	2423	42,40,175	100.00

No. of Shares	No. of Shareholders	Percentage	No. of Shares Held	Percentage
1 – 500	2174	89.72	354555	8.36
501 – 1000	134	5.53	109430	2.58
1001 – 2000	52	2.15	75501	1.78
2001 – 3000	22	0.91	55964	1.32
3001 – 4000	9	0.37	31981	0.75
4001 – 5000	5	0.21	24159	0.57
5001 – 10000	10	0.41	72642	1.71
10001 & above	17	0.70	3515943	82.92
Total	2423	100	4240175	100

xvi) **Outstanding GDRs / ADRs / Warrants / convertible instruments:** The Company has no outstanding GDRs and nor the Company has issued any ADRs / Warrants or any Convertible instruments during the year under review.

xvii) Company's plant Sika Technology Centre is located at 21 KM Hosur Road, Bommasandra Industrial Area, Bangalore 560099.

11. DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Sika Interplant Systems Limited Code of Conduct, as applicable to them for the financial year ended 31st March, 2014.

For and on behalf of the Board of Directors

Bangalore, 06th August, 2014

Rajeev Sikka
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Sika Interplant Systems Limited
Gangadharchetty Road, Bangalore – 560 001.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Sika Interplant Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Shekar&Yathish
Chartered Accountants
FRN : 008964S

KusumaYathish
Partner
M No.209637

Place: Bangalore
Date :30/05/2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management at reasonable intervals. Having regard to the size of the company and the nature of its assets, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, substantial parts of the fixed assets have not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified during the year by the management.
- (b) The procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of company and nature of its business.
- (c) The company is maintaining proper records of Inventory, minor discrepancies noticed on such physical verification have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) In view of what is stated in Para (a) above, the matters to be reported vide sub clause (b), (c) and (d) of clause (iii) are not applicable.
- (c) The Company has taken unsecured loans from one party, covered in the register maintained under section 301 of the Act, the maximum amount involved during the year was Rs.36 lakhs (previous year – NIL) and the year-end balance of loans taken from parties is 36 lakhs (previous year – NIL).
- (d) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are prima facie not prejudicial to the interest of the Company.
- (e) Since the loans raised by the Company are repayable on demand or as and when necessary mutually, no comment can be made on the regularity or otherwise of the repayment of the principal and payment of interest wherever applicable.
- (iv) (a) There are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets, and the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, the particulars of transactions or arrangements that were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered;
- (b) In respect of transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;(vi)In view of the Company not having accepted deposits in terms of the provisions of sections 58 A and 58 AA and other relevant provisions of the Companies Act 1956 the compliance requirements as mentioned thereof do not arise.
- (vii) In our opinion based on the information and explanations given to us the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, The Central Government has prescribed maintenance of cost records under Sec. 209(1) (d) of the Companies Act 1956. However the same has not been produced before us to express any further opinion as to adequacy and accuracy of the same
- (ix) (a) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it and according to the information and explanations given to us the company did not have any dues in respect of the aforementioned for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, which have not been deposited on account of any dispute.

- (ix) (a) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it and according to the information and explanations given to us the company did not have any dues in respect of the aforementioned for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) are not applicable to the company
- (xv) According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purposes for which they were taken.
- (xviii) According to the information and explanations given to us the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us the Company had not issued any Debentures during the period under audit.
- (xx) The Company has not made any public issues during the period under audit and consequently the verification of end use of the same does not arise
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported.

For and on behalf of
M/s. Shekar&Yathish
Chartered Accountants
FRN : 008964S

Place: Bangalore
Date :30/05/2014

KusumaYathish
Partner
M No.209637

Balance Sheet as at 31st March, 2014

Particulars	Note No	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	42,401,750	42,401,750
(b) Reserves and Surplus	3	336,270,462	326,424,990
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	8,887,324	17,346,302
(b) Deferred Tax Liabilities (Net)	5	2,970,892	1,451,293
(c) Other Long-Term Liabilities	6	1,654,130	500,000
(d) Long-Term Provisions	7	101,087	114,385
(3) Current Liabilities			
(a) Short-Term Borrowings	8	17,285,848	4,866,667
(b) Trade Payables	9	11,726,840	8,100,934
(c) Other Current Liabilities	10	11,519,781	42,104,341
(d) Short-Term Provisions	11	4,525,191	3,436,113
Total		437,343,305	446,746,775
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		335,746,119	288,145,226
(ii) Intangible Assets		652,321	674,738
(iii) Capital Work-In-Progress		1,611,711	47,307,135
(b) Non-Current Investments	13	13,312,510	13,312,510
(c) Long Term Loans and Advances	14	2,233,935	3,331,761
(2) Current Assets			
(a) Inventories	15	11,322,674	30,048,728
(b) Trade Receivables	16	41,881,788	25,914,511
(c) Cash and Cash Equivalents	17	27,999,640	33,496,735
(d) Short-Term Loans and Advances	18	1,756,252	3,544,655
(e) Other Current Assets	19	826,355	970,776
Total		437,343,305	446,746,775

Significant Accounting Policies

Notes On Financial Statements

1 to 39

The Schedules referred to above form an integral part of this Balance Sheet.

As per our report of even date.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Kusuma Yathish
Partner
Membership No.209637

Bangalore
Date : 30/05/2014

For and on behalf of the board

Rajeev Sikka
Chairman & Managing Director

R.N. Chawhan
Director

Kunal Sikka
Chief Financial Officer

Statement of Profit and Loss for the Year ended 31 March, 2014

Particulars	Note No	Figures for the current Reporting Period	Figures for the previous Reporting Period
I. Revenue From Operations	20	214,300,384	71,936,242
II. Other Income	21	6,025,707	3,093,630
III. Total Revenue (I +II)		220,326,091	75,029,872
IV. Expenses:			
Cost of Materials Consumed	22	42,071,967	11,139,473
Purchases	23	77,158,299	23,723,151
Changes in Inventory of Work In progress	24	21,179,194	(14,507,000)
Employee Benefit Expense	25	20,934,646	15,131,667
Finance Costs	26	4,155,421	2,614,198
Depreciation and Amortization Expense	12	3,387,615	2,579,513
Other Expenses	27	30,885,245	25,198,011
Total Expenses		199,772,387	65,879,013
V. Profit Before Tax (III - IV)		20,553,704	9,150,859
VI. Tax Expense:			
(1) Current Tax expense for Current year		5,220,000	2,650,000
(2) Current Tax expense for Earlier years		-	(253,661)
(3) Deferred Tax Expense		1,519,599	353,405
VII. Profit/(Loss) For The Period (V - VI)		13,814,105	6,401,116
VIII. Earning Per Equity Share:			
(1) Basic	28	3.26	1.51
(2) Diluted	28	3.26	1.51

Significant Accounting Policies
Notes On Financial Statements

1 to 39

The Schedules referred to above form an integral part of this Statement of Profit and Loss.
As per our report of even date.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Rajeev Sikka
Chairman & Managing Director

For and on behalf of the board

R.N. Chawhan
Director

Kusuma Yathish
Partner
Membership No.209637

Kunal Sikka
Chief Financial Officer

Bangalore
Date : 30/05/2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

	Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
A]	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
	Net Income before Taxation and Extraordinary items	20,553,704	9,150,859
	<u>Add/(Less) : Adjustments for :-</u>		
	Depreciation and amortization	3,387,615	2,579,513
	Profit on sale of Fixed Assets	(210,283)	-
	Finance Cost	4,155,421	2,614,198
	Interest on Deposits	(2,101,919)	(2,588,094)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	25,784,539	11,756,476
	<u>Changes in Working Capital</u>		
	<u>Adjustments for (increase)/decrease in operating assets</u>		
	Trade Receivables	(15,967,277)	13,999,538
	Inventories	18,726,054	(17,224,528)
	Short-term Loans & Advances	1,788,403	9,685,350
	Long-term Loans & Advances	1,097,826	16,595,225
	Other Current Assets	144,421	(970,776)
	<u>Adjustments for increase/(decrease) in operating liabilities</u>		
	Trade Payables	3,625,906	(1,391,543)
	Other current liabilities	(30,584,560)	7,890,953
	Short-Term Provisions	1,089,078	(19,194,328)
	Long-Term Provisions	(13,298)	(3,056)
	Cash generated from operations	5,691,092	21,143,311
	Less : Tax Adjustment (paid)/refund	(5,220,000)	(2,396,339)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	471,092	18,746,972
B]	<u>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</u>		
	Capital Expenditure on Fixed Assets	(5,418,203)	(5,410,426)
	Proceeds from Sale of Fixed Assets	357,820	-
	Interest on Bank Deposits	2,101,919	2,588,094
	Sale of Long Term Investments	-	(250,000)
	Other Long term Liabilities	1,154,130	
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(1,804,334)	(3,072,332)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

	Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
C]	<u>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</u>		
	Finance Cost	(4,155,421)	(2,614,198)
	Proceeds from Long Term Borrowings	-	1,503,342
	Repayment of Long Term Borrowings	(8,458,978)	-
	Proceeds from Short Term Borrowings	12,419,181	-
	Repayment of Short Term Borrowings	-	(2,957,125)
	Dividends Paid	(3,392,140)	(2,544,105)
	Tax on Dividend	(576,494)	(412,717)
	NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(4,163,853)	(7,024,803)
D]	NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(5,497,095)	8,649,837
	Add: Cash and Cash Equivalents at beginning of the year	33,496,735	24,846,899
	Cash and Cash Equivalents at end of the year*	27,999,640	33,496,735
	* Comprises:		
	(a) Cash on hand	36,372	31,622
	(b) Balances with banks		
	- In current accounts	8,339,877	3,668,885
	(c) Deposits considered as part of cash and cash equivalents	19,623,391	29,796,228
		27,999,640	33,496,735

As per our report of even date.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

For and on behalf of the board

Kusuma Yathish
Partner
Membership No.209637

Rajeev Sikka
Chairman & Managing Director

R.N. Chawhan
Director

Kunal Sikka
Chief Financial Officer

Bangalore
Date : 30/05/2014

Note No:1 Significant Accounting Policies:**1. Accounting Convention:**

The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Companies Act.

2. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment (if any). All costs relating to the acquisition and installation of fixed assets have been capitalized.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, development/construction costs, borrowing costs and other direct expenditure including advances to contractors and others.

Leasehold land on a lease-cum-sale basis are capitalized at the allotment rates charged by the concerned allotting Authorities.

Intangibles having the characteristic of assets, capable of generating future economic benefits and are reliably measurable are stated at cost.

Depreciation/Amortization

Depreciation on assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 on straight-line method.

Amortization of Intangibles is done based on the benefits derived. Amortization is not being done in respect of intangibles which are available for use to the company in perpetuity.

3. Valuation of Inventories:

Stock of spare parts, raw materials and stock in trade are valued at lower of cost and net realizable value. Work-in-progress is valued at cost.

4. Valuation of Investments:

Current investments are valued at the lower of cost and market value.

5. Retirement Benefits:

Company has Group Gratuity policy with Life Insurance Corporation of India and the premiums determined there at is charged to revenue. The Company has provided for Leave Encashment based on accumulated un-availed leave by the employees as on the date of Balance Sheet.

6. Revenue Recognition:

1. Revenue from sale of goods is recognized on passing of the property in goods.
2. Services – Revenue from services is recognized on completion of service.
3. Warranties – Revenue from warranties in connection with post sale services is recognized on pro-rata basis over the warranty period.
4. Profit on sale of investments – Profit / loss on sale of investments are recognized on the date of redemption.

7 Foreign Currency Transactions:

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

8. Provisions:

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

9. Segment Reporting Policies

Primary Business Segments:

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services. Thereby there is no geographical segment.

10. Impairment of Assets

At each Balance Sheet date the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount and if this is lower than the carrying amount of the asset, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

11. Taxation

Current Taxation and Deferred Taxation: Provision for current income tax is made on the assessable income at the rates applicable to the relevant assessment year.

Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

12. Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares is outstanding during the period adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split.

Notes on Financial Statements for the Year ended 31st March , 2014

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
2. SHARE CAPITAL		
Equity Shares with Voting Rights Authorised 5,000,000 Equity Shares of Rs. 10/- each (Previous Year 5,000,000 Equity Shares of Rs.10 /- each)	50,000,000	50,000,000
Equity Shares with Voting Rights Issued and Subscribed 42,40,175 Equity Shares of Rs. 10/- each (Previous Year 42,40,175 Equity Shares of Rs.10 /- each) (Of the above shares, 26,00,000 shares are issued for consideration other than cash)	42,401,750	42,401,750
Equity Shares with Voting Rights Paid Up 42,40,175 Equity Shares of Rs. 10/- each (Previous Year 42,40,175 Equity Shares of Rs.10 /- each)	42,401,750	42,401,750
TOTAL	42,401,750	42,401,750

Details of Shareholders holding more than 5% shares

Name of the Shareholder	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
Equity Shares with Voting Rights Ultraweld Engineers Private Limited No of Shares % held	2,970,613 70.06%	2,953,185 69.65%

Details of Share held by the holding company

Name of the Shareholder	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
Equity Shares with Voting Rights Ultraweld Engineers Private Limited, the holding Company No of Shares % held	2,970,613 70.06%	2,953,185 69.65%

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
Opening Balance	4,240,175	4,240,175
Add. Issued during the year	-	-
Less. Bought back during the year	-	-
Closing Balance	4,240,175	4,240,175

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
3.RESERVES AND SURPLUS		
General Reserve		
Opening Balance	4,401,400	4,401,400
Add:Transferred from surplus in Statement of Profit and Loss	-	-
Less:Utilised/Transferred during the year	-	-
Closing Balance	4,401,400	4,401,400
Capital Reserve		
Opening Balance	60,676,001	60,676,001
Add:Additions during the year	-	-
Less:Utilised/Transferred during the year	-	-
Closing Balance	60,676,001	60,676,001
Securities Premium Account		
Opening Balance	177,967,000	177,967,000
Add:Premium on shares issued during the year	-	-
Less:Utilised during the year	-	-
Closing Balance	177,967,000	177,967,000
Surplus/(Deficit) as per Statement of Profit/Loss for the Year		
Opening Balance	83,380,589	79,936,296
Add :Transferred from Statement of Profit and Loss	13,814,105	6,401,116
	97,194,696	86,337,411
Less:		
(1) Proposed Dividend (Dividends Proposed to be Distributed to Equity Shareholders (Re.80 paise per share))	3,392,140	2,544,105
(2) Tax On Proposed Dividend	576,494	412,717
	39,68,634	2,956,822
Closing Balance	9,32,26,061	83,380,589
TOTAL	33,62,70,462	326,424,990

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
NON CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
A.Loans from Banks		
Secured		
Term Loan (Term Loan sanctioned of Rs.3,44,05,043/- is Secured by book debts, stock and Land at Bommasandra)	8,279,608	12,839,609
Long Term Maturities of Finance Lease Obligations (Secured by Vehicle purchased out of above) (Refer Note No.37)	-	222,627
B. From Other Parties		
Secured		
Long Term Maturities of Finance Lease Obligations (Secured by Vehicle purchased out of above) (Refer Note No.37)	607,716	510,989
Loan From Related Parties (Refer Note No.35)	-	3,773,077
TOTAL	8,887,324	17,346,302

Loan Tenure

Rate of Interest
Base rate+Floating rate
of 2.25% currently at
12.75%

1. Term Loan from Bank
2. Vehicle Loan from Bank

4 years**3 years****11%**

3. Four Vehicle Loans from NBFC are borrowed for a tenure of 3 years with rate of interest of 10.50%,11.76%,11.00% and 11.00% respectively

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
5. DEFERRED TAX LIABILITY		
The accumulated impact of deferred tax arising on account of timing differences and expected to be reversed during forthcoming years is recognised as an adjustment to balance of Profit and Loss Account as prescribed in AS 22. The composition of accumulated deferred tax liability is as under:		
-Deferred Tax liability Related to Fixed Assets- Depreciation	3,194,425	1,611,589
-Deferred Tax Asset Related to expenditure allowed under the Income Tax Act, 1961 on payment basis	223,533	160,296
-Deferred Tax liability (Net)	2,970,892	1,451,293

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
6. OTHER NON CURRENT LIABILITIES		
Other Payables		
Security Deposit	1,654,130	500,000
TOTAL	1,654,130	500,000

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
7. LONG-TERM PROVISIONS		
Provision For Employee Benefits		
Leave Encashment (Unfunded)	101,087	114,385
TOTAL	101,087	114,385

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
8. SHORT TERM BORROWINGS		
Secured		
Working Capital Loans from Banks (Working Capital loans are secured by book debts, stock and Land at Bommasandra)	17,285,848	4,866,667
TOTAL	17,285,848	4,866,667

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
9. TRADE PAYABLES		
Trade Payables-Related Parties	947,287	1,075,456
Trade Payables-Others	10,779,553	7,025,478
TOTAL	11,726,840	8,100,934

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
10. OTHER CURRENT LIABILITIES		
Secured		
Current Maturities of Long term Debt		
Loans from Banks		
Term Loan from Bank	4,560,000	4,560,000
Vehicle Loan from Bank	219,007	199,531
Current Maturities Finance Lease Obligation		
Secured		
Loans from Others		
Vehicle Loan from NBFC	773,157	1,032,782
Others Payables		
Statutory Remittances	817,524	698,118
Unclaimed Dividends	594,147	652,559
Payables to Related Parties	139,638	67,550
Payable to Employees	1,134,243	960,716
Advances From Customer for supplies/services	2,951,315	33,480,195
Other Payables	330,750	452,891
TOTAL	11,519,781	42,104,341

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
11. SHORT TERM PROVISIONS		
Provision For Employee Benefits		
Leave Encashment (Unfunded)	21,272	21,047
Bonus	535,285	458,244
Provision For Others		
Provision for Proposed Dividend	3,392,140	2,544,105
Provision for Tax on Proposed Dividend	576,494	412,717
TOTAL	4,525,191	3,436,113

Notes on Financial Statements for the Year ended 31st March , 2014

Note No.12-Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance at 1st April 2013	Additions	Deduction/ Adjustments	Balance as at 31st March 2014	Balance as at 1st April 2013	Depre- ciation for the year	Accumulated Depreciation on disposal of Assets	Balance as at 31st March 2014	As at 31st March 2014	As at 31st March 2013
(i) Tangible Assets										
Freehold Land	25,51,40,290	-	-	25,51,40,290	-	-	-	-	25,51,40,290	25,51,40,290
Leasehold Land at Mysore	58,82,629	-	-	58,82,629	-	-	-	-	58,82,629	58,82,629
Building	1,32,16,793	4,91,75,251	-	6,23,92,044	4,47,488	12,62,448	-	17,09,936	6,06,82,108	1,27,69,305
Plant and Machinery	34,10,304	-	-	34,10,304	9,60,534	1,26,498	-	10,87,032	23,23,272	24,49,770
Office Equipments	32,22,972	3,53,875	-	35,76,847	10,84,840	1,61,619	-	12,46,459	23,30,388	21,38,132
Furniture & Fixtures	48,17,297	20,460	-	48,37,757	20,02,628	2,82,929	-	22,85,557	25,52,200	28,14,669
Vehicles	1,28,20,960	12,14,059	25,42,406	1,14,92,613	68,53,310	10,52,428	23,94,870	55,10,868	59,81,745	59,67,650
Computers	52,67,176	2,42,996	13,52,382	41,57,790	42,84,395	3,72,290	13,52,382	33,04,303	8,53,487	9,82,781
Total	30,37,78,421	5,10,06,641	38,94,788	35,08,90,274	1,56,33,195	32,58,212	37,47,252	1,51,44,155	33,57,46,119	28,81,45,226
Previous Year	30,41,55,591	6,37,874	10,15,044	30,37,78,421	1,41,66,562	24,81,677	10,15,044	1,56,33,195	28,81,45,226	28,99,89,028
(ii) Intangible Assets										
Software	7,72,717	1,06,986	-	8,79,703	97,979	1,29,403	-	2,27,382	6,52,321	6,74,738
Total	7,72,717	1,06,986	-	8,79,703	97,979	1,29,403	-	2,27,382	6,52,321	6,74,738
Previous Year	3,25,000	4,47,717	-	7,72,717	143	97,836	-	97,979	6,74,738	3,24,857
(iii) Capital Work In progress										
Factory at Bommasandra Unit	4,56,95,424	6,52,797	4,63,48,221	-	-	-	-	-	-	4,56,95,424
Tourism - Project	16,11,711	-	-	16,11,711	-	-	-	-	16,11,711	16,11,711
Total	4,73,07,135	6,52,797	4,63,48,221	16,11,711	-	-	-	-	16,11,711	4,73,07,135
Capital WIP Previous Year	4,29,82,301	43,24,834	-	4,73,07,135	-	-	-	-	4,73,07,135	4,29,82,301

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
13 . NON CURRENT INVESTMENTS		
Trade Investments (At cost)		
Unquoted, fully paid up		
Investment in equity instruments in Subsidiary Companies		
Emsac Engineering Pvt Ltd Current Year-2,55,000 Shares of Re.1.00/- each (Previous Year-2,55,000 Shares of Re.1.00/- each)	255,000	255,000
Sikka n Sikka Engineers Pvt Ltd Current Year-6,000 Shares of Rs.100/- each (Previous Year-6,000 Shares of Rs.100/- each)	12,698,000	12,698,000
Sika Tourism Pvt Ltd Current Year - 99,990 Shares of Re.1/- each (Previous Year - 99,990 Shares of Re.1/- each)	99,990	99,990
Other Investments (At cost)		
Quoted, fully paid up		
Investment in equity in Other Companies		
Melstar Information Technologies Ltd (Market Value 1,600/-, Previous Year Rs.2,456/-) Current Year-800 Shares of Rs.10/- each (Previous Year-800 Shares of Rs. 10/- each)	9,520	9,520
Investment in Mutual Funds		
Birla Dynamic Bond Fund Current Year-13,805.290 units of Rs.21.22/- each(Previous year-13,805.290 units of Rs.18.1090 each) (Market Value-Rs.2,92,948/-,Previous Year-Rs.2,73,897/-)	250,000	250,000
TOTAL	13,312,510	13,312,510

Note: a) Aggregate amount of quoted investments	259,520	259,520
b) Aggregate amount of unquoted investments	13,052,990	13,052,990
c) Aggregate market value of listed and quoted investments	292,948	276,353

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
14. LONG TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Balance with Government Authorities	-	53,976
Advance Income Tax (Net of provisions)	427,519	1,379,758
Security Deposits	1,806,416	1,898,027
TOTAL	2,233,935	3,331,761

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
15. INVENTORIES (At lower of cost and net realisable value)		
Raw Materials	6,966,868	4,513,728
Work in Progress	4,355,806	25,535,000
TOTAL	11,322,674	30,048,728

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
16. TRADE RECEIVABLES		
Unsecured and Considered Good		
Related Parties		
Other Trade Receivables	-	152,158
Others		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	4,767,321	13,806,901
Other Trade Receivables	37,114,466	11,955,452
TOTAL	41,881,788	25,914,511

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
17. CASH AND CASH EQUIVALENTS		
Cash on Hand	36,372	31,622
Balance with Banks		
In Current Accounts	105,340	49,274
In EEFC Accounts	7,634,231	2,953,497
In Dividend Account	600,305	666,114
In Demand Deposit Accounts	19,623,391	29,796,228
TOTAL	27,999,640	33,496,735

Notes:

i) Balances with bank include deposits with remaining maturity of more than 12 months from the balance sheet date

- 16,297,459

ii) Balances with banks held as Margin Money deposits against guarantees

1,536,372 7,369,690

Cash and Cash equivalents as of March 31, 2014 and March 31, 2013 include restricted cash and bank balances of INR 15,36,372/- and INR 73,69,690/- , respectively. The restrictions are on account of deposits held as Margin deposits against guarantees and bank balances against Unclaimed Dividends

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
18. SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Balances with Government Authorities	671,165	341,305
Advance Given to Employees	81,829	111,779
Advance Given To Suppliers	768,984	2,944,700
Prepaid Expenses	234,274	146,871
TOTAL	1,756,252	3,544,655

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
19. OTHER CURRENT ASSETS		
Interest Accrued on deposits	826,355	970,776
TOTAL	826,355	970,776

Notes on Financial Statements for the Year ended 31st March , 2014

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
20. REVENUE FROM OPERATIONS		
Sale of Engineering Systems	84,284,885	9,000,740
Sale of Engineering Products	82,875,993	28,394,250
Sale of Engineering Services	47,117,289	34,413,702
Other Operating Income	22,217	127,550
TOTAL	214,300,384	71,936,242

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
21. OTHER INCOME		
Rental Income*	577,065	-
Interest from banks -From Deposits	2,101,919	2,588,094
Other Income	173,436	505,536
Gain on Sale of Fixed Asset	210,283	-
Net Gain due to Foreign Exchange Differences	2,963,004	-
TOTAL	6,025,707	3,093,630

*The company has entered into commercial property leases on its investment property portfolio, consisting of the company's surplus office .

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
22. COST OF MATERIAL CONSUMED		
Imported	19,737,501	7,351,580
Indigeneous	22,334,466	3,787,893
TOTAL	42,071,967	11,139,473

Percentage of Consumption	2013-14	2012-13
Imported	46.91%	66.00%
Indigeneous	53.09%	34.00%

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
22. 1. Particulars of Materials consumed		
Mechanical Components	22,192,961	9,399,369
Electrical Components	10,453,620	689,540
Others	9,425,386	1,050,564
TOTAL	42,071,967	11,139,473

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
23. PURCHASES		
Purchase of Stock in Trade	77,158,299	23,723,151
TOTAL	77,158,299	23,723,151

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
23. 1. Particulars of Purchases of Stock in Trade		
Mechanical Components	67,571,073	10,511,818
Electrical Components	6,614,035	11,899,347
Others	2,973,191	1,311,986
TOTAL	77,158,299	23,723,151

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
24. CHANGES IN INVENTORY OF WORK IN PROGRESS		
Inventory at the end of the year		
Work in Progress	4,355,806	25,535,000
Total	4,355,806	25,535,000
Inventory at the beginning of the year		
Work in Progress	25,535,000	11,028,000
Total	25,535,000	11,028,000
Net (Increase)/Decrease	21,179,194	(14,507,000)

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
25. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	19,594,567	14,078,090
Staff welfare expenses	423,388	293,460
Contribution to Provident & Other Funds(Refer Note No.36)	916,691	760,117
TOTAL	20,934,646	15,131,667

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
26. FINANCE COSTS		
Interest Expense	4,155,421	2,614,198
TOTAL	4,155,421	2,614,198

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
27. OTHER EXPENSES		
Manufacturing Expenses		
Electricity and Water Charges	726,596	724,758
Net Loss due to Foreign Exchange Differences	-	652,161
Repairs & Maintenance-Building	1,326,462	1,481,153
Repairs & Maintenance-Machinery	2,133,845	1,289,760
Staff Training and Education	374,489	-
Rates and Taxes	144,656	-
Retainership Fees	3,198,406	2,790,459
Selling and Distribution Expenses		
Advertisement expenses	209,537	141,062
Sales Tax	116,422	40,672
Sales Promotion Expenses	2,940,543	2,273,605
Seminar and Exhibition charges	1,323,641	1,593,827
Establishment Expenses		
AGM Expenses	33,620	20,430
Bank Charges	890,363	969,469
Commission and Brokerage	192,100	
Communication Expenses	657,226	657,166
Discounts, Bad Debts and Write offs	1,524,810	77,187
Charity and Donations	40,000	10,000
Insurance	227,538	199,817
Office Expenses	180,713	116,390
Printing & Stationery	479,971	409,421
Rates and Taxes	246,853	237,171
Rent	893,243	1,026,431
Retainership, Legal and Professional Charges	4,753,939	4,363,439
Sitting Fees	22,500	25,000
Travel and Conveyance Expense	7,986,742	5,839,236
Miscellaneous Expenses	11,310	9,678
Payment to Auditors		
Statutory Audit Fees	196,630	196,630
Tax Audit Fees	28,090	28,090
Certification and Consultation Fees	25,000	25,000
TOTAL	30,885,245	25,198,011

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
28.EARNINGS PER SHARE		
I. Net Profit As Per Profit And Loss Account Available For Equity Shareholders	13,814,105	6,401,116
II. Weighted Average Number of Equity Shares for Earnings Per Share Computation		
a. For Basic Earnings per Share	4,240,175	4,240,175
b. For Diluted Earnings per Share	4,240,175	4,240,175
III. Earnings Per Share (Face Value of Rs.10/- each)		
Basic	3.26	1.51
Diluted	3.26	1.51

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
29. CONTINGENT LIABILITY AND COMMITMENTS		
- Bank Guarantee	10,788,534	49,822,786
TOTAL	10,788,534	49,822,786

NOTES ON ACCOUNTS AS AT 31.03.2014

30. The information required to be disclosed under the Micro, Small, Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

31. Capital Reserve and Securities Premium have arose pursuant to a scheme of merger approved by the Honorable High Court of Karnataka.

32. Expenditure in Foreign Currency in respect of

(Amounts in INR)

Particulars (Including Expenses Capitalized)	2013-14	2012-13
Raw Materials & components	2,23,84,182	1,00,47,197
Purchases	7,36,13,633	2,26,32,121
Travelling Expenses	40,27,500	17,86,125
Total	10,00,25,315	3,44,65,443

33. Sale by class of goods and services

(Amounts in INR)

Particulars	2013-14	2012-13
1. Finished Engineering systems		
(a) Handling Systems	8,39,82,721	90,00,740
(b) Others	3,02,164	-
Total	8,42,84,885	90,00,740
2. Engineering Products		
(a) Servo Products	8,21,25,473	1,44,65,750
(b) Others	7,50,520	1,39,58,500
Total	8,28,75,993	2,84,24,250
3. Sale of Engineering Service		
(a) Designs and Drawings	3,29,11,786	2,48,95,043
(b) Others	1,42,05,503	91,08,728
Total	4,71,17,289	3,40,03,771

34. Earnings in Foreign Currency (on FOB basis)

(Amounts in INR)

Particulars	2013-14	2012-13
Export of Services	3,29,11,806	2,48,95,043
Export of Goods	3,02,164	-
Total	3,32,13,970	2,48,95,043

35. Related party transactions

(Amounts in INR)

Particulars	Referred to in (a) below		Referred to in (b) below		Referred to in (c) below	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Purchase:						
Engineering Services	15,00,000	14,54,023	-	-	-	-
Sales:						
Engineering Services	8,40,000	9,00,000	-	-	-	-
Other Income	55,000	-	-	-	-	-
Expenses:						
a. Remuneration	-	-	19,35,646	22,07,011	-	-
b. Rent and maintenance	-	-	-	-	-	4,05,000
c. Service	5,40,000	5,40,000	-	-	-	-
d. Prof charges	-	-	-	-	9,24,000	4,23,400
e. Gratuity	-	-	-	-	-	-
f. Salary Paid	-	-	13,72,916	13,73,157	-	-
Other Transactions						
Loans Borrowed/Recovered	-	36,24,473	-	-	-	-
Loans Repaid/Given	41,12,654	21,839	-	-	-	-
Purchase of Fixed Assets	17,17,985	-	-	-	-	-
Interest	3,39,577	1,92,308				
Outstanding:						
a. Prof Charges/ Remuneration	-	-	1,39,638	62,550	77,000	1,56,800
b. Service Charges payable/ (receivable) net	9,47,287	9,23,298	-	-	-	-
c. Loans payable	-	37,73,077	-	-	-	-

Related Party Information

Relationship

a. Where significant influence exists(Subsidiaries)

1. M/s. Sikka N Sikka Engineers Pvt Ltd
2. M/s. Emsac Engineering Pvt Ltd
3. M/s. Sika Tourism Pvt Ltd

b. Key Management Personnel

1. Mr. Rajeev Sikka
2. Mr. Kunal Sikka

c. Relatives of Key Management Personnel

1. Mrs. Krishna Sikka
2. Mrs. Anuradha Sikka

36. As per Accounting Standard 15 "Employment Benefits", the disclosures as defined in the Accounting Standard with regard to Note no.25 are given below:

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	2013-14	2012-13
Employer's Contribution to Provident Fund	5,02,956	4,02,073
Employer's Contribution to Pension Scheme	2,21,591	1,77,144

Defined Benefit Plan

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity

Gratuity		
Particulars	2013-14	2012-13
Components of Employer Expenses		
Current Service cost	1,47,592	1,35,424
Interest on Obligations	2,08,789	1,86,793
Expected Return on Plan Assets	(2,75,402)	(2,30,485)
Net actuarial loss/ (gain) recognized during the year	(5,97,976)	(82,765)
Total Expenses recognised in the Statement of Profit & Loss	(5,16,998)	8,967
Net asset/(liability) recognised in the Balance Sheet		
Present Value of defined benefit Obligation	23,36,350	26,09,857
Fair value of plan assets	33,79,786	31,36,296
Funded status[Surplus/(deficit)]	(10,43,437)	(5,26,439)
Unrecognised past service costs	0	0
Change in defined benefit obligations(DBO) during the year		
Present Value of DBO at beginning of the year	26,09,857	23,34,912
Current service cost	1,47,592	1,35,424
Interest Cost	2,08,789	1,86,793
Actuarial(gains)/Losses	(6,05,484)	(4,989)
Past service cost Benefits Paid	(24,404)	(42,283)
Present Value of DBO at end of the year	23,36,350	26,09,857

Change in fair value of assets during the year		
Plan assets at beginning of the year	31,36,296	28,70,318
Expected return on plan assets	2,75,402	2,30,485
Actuarial(gains)/losses	(7,507)	77,776
Benefits paid	(24,404)	(42,283)
Plan assets at end of the year	33,79,786	31,36,296
Actual return on plan assets	2,67,895	3,08,261
Actuarial assumptions		
Discount rate	8.00%	8.00%
Expected return on plan assets	8.85%	8.15%
Salary escalation	7.00%	7.00%

The discount rate is based on the prevailing market yields of government of India securities as the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustment figures are not included as same has not been provided by the Actuary. The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan the eligible employees are entitled to Gratuity under a defined benefit plan.

	Leave Encashment	
Changes in Defined Obligations		
Obligations at period beginning - Current(31.03.13)	21,047	20,961
Obligations at period beginning - Non-current	1,14,385	1,17,441
Service Cost	34,507	1,43,528
Interest on Defined benefit obligation	10,580	6,433
Benefits settled	(38,855)	(1,20,861)
Actuarial gain/(loss)	(19,305)	(32,068)
Obligations at period end	1,22,359	1,35,432
Current Liability (within 12 months)	21,272	21,047
Non Current Liability	1,01,087	1,14,385

Changes in Plan Assets		
Plans assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Contributions	38,855	1,20,861
Benefits settled	(38,855)	(1,20,861)
Plans assets at period end, at fair value	-	-
Funded Status		
Closing PBO	1,22,359	1,35,432
Closing Fair value of plan assets	-	-
Closing Funded status	(1,22,359)	(1,35,432)
Net asset/(Liability) recognized in the Balance Sheet	(1,22,359)	(1,35,432)
Expenses recognized in the P&L account		
Service cost	34,507	1,43,526
Interest cost	10,580	6,433
Expected return on plan assets	-	-
Actuarial (gain)/loss	(19,305)	(32,068)
Net gratuity / leave cost	25,782	1,17,891
Experience Adjustment on Plan Liabilities	(19,305)	(32,068)
Experience Adjustment on Plan Assets	-	-
Assumptions		
Interest rate	9.12%	8.25%
Discount factor	9.12%	8.25%
Estimated rate of return on plan assets	0.00%	0.00%
Salary increase	6.00%	6.00%
Attrition rate	5.00%	5.00%

37. In respect of fixed assets acquired on terms loans from bank the minimum lease rentals outstanding are as follows:

(Amounts in INR)

Particulars	Minimum Lease Payments Outstanding(EMI)		Future Interest on Outstanding Lease Payments (Interest)		Present Value of Minimum Lease Payments(Principal)	
	As at 31st Mar 2014	As at 31st Mar 2013	As at 31st Mar 2014	As at 31st Mar 2013	As at 31st Mar 2014	As at 31st Mar 2013
Within One year	59,30,000	66,89,425	13,70,000	21,29,425	45,60,000	45,60,000
> 1 year and < 5 Years	92,82,000	1,52,12,000	10,03,000	23,73,000	82,79,000	1,28,39,000
> 5 Years	-	-	-	-	-	-
Total	1,52,12,000	2,19,01,425	23,73,000	45,02,425	1,28,39,000	1,73,99,000

38. In respect of fixed assets acquired on finance lease, the minimum lease rentals outstanding are as follows:

(Amounts in INR)

Particulars	Minimum Lease Payments Outstanding(EMI)		Future Interest on Outstanding Lease Payments (Interest)		Present Value of Minimum Lease Payments(Principal)	
	As at 31st Mar 2014	As at 31st Mar 2013	As at 31st Mar 2014	As at 31st Mar 2013	As at 31st Mar 2014	As at 31st Mar 2013
Within One year	11,03,056	13,86,352	1,10,890	1,54,039	9,92,160	12,32,312
> 1 year and < 5 Years	6,74,659	7,66,466	66,943	32,850	6,07,716	7,33,616
> 5 Years	-	-	-	-	-	-
Total	17,77,715	21,52,818	1,77,833	1,86,890	15,99,876	19,65,928

39. Previous year's figures have been regrouped / recast / restated, wherever necessary, to make them comparable with those of the current year.

For and on behalf of

M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Kusuma Yathish

Parter
Membership No.209637

Bangalore
Date : 30/05/2014

For and on behalf of the board

Rajeev Sikka
Chairman & Managing Director

R.N. Chawhan
Director

Kunal Sikka
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of **Sika Interplant Systems Limited**

We have audited the accompanying consolidated financial statements of **SIKA INTERPLANT SYSTEMS LIMITED** ("the Company") and its subsidiaries, (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2014 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the Accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (net) of Rs. 46,41,246/- as at March 31, 2014, total revenues (net) of Rs.64,90,287/- and net cash flows amounting to Rs.1,07,610/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

Place: Bangalore
Date: 30th May, 2014

For and on Behalf
M/s. Shekar & Yathish
Chartered Accountants
FRN. 008964S

Consolidated Balance Sheet as at 31st March, 2014

Particulars	Note No	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	42,401,750	42,401,750
(b) Reserves and Surplus	3	33,49,99,686	325,602,478
(c) Minority Interest of subsidiaries		973,555	915,199
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	8,887,324	13,573,225
(b) Deferred Tax Liabilities	5	3,047,453	1,599,908
(c) Other Long-Term Liabilities	6	1,654,130	500,000
(d) Long-Term Provisions	7	101,087	114,385
(3) Current Liabilities			
(a) Short-Term Borrowings	8	17,285,848	4,866,666
(b) Trade Payables	9	12,498,844	7,473,337
(c) Other Current Liabilities	10	12,189,786	42,562,918
(d) Short-Term Provisions	11	45,91,558	3,436,112
Total		438,631,021	443,045,978
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		335,984,294	290,104,075
(ii) Intangible Assets		652,321	674,738
(iii) Capital Work-In-Progress		1,611,711	47,307,135
(iv) Goodwill on Consolidation		2,769,064	3,461,330
(b) Non Current Investments	13	910,423	862,344
(c) Long Term Loans and Advances	14	2,792,316	3,870,348
(2) Current Assets			
(a) Inventories	15	13,227,132	30,775,688
(b) Trade Receivables	16	41,881,815	26,499,985
(c) Cash and Cash Equivalents	17	36,004,689	34,732,004
(d) Short Term Loans and Advances	18	1,868,334	3,691,925
(e) Other Current Assets	19	928,923	1,066,407
Total		438,631,021	443,045,978

Significant Accounting Policies

Notes On Accounts

1 to 39

Notes referred to above form an integral part of this Balance Sheet.

As per our report of even date.

For M/s. Shekar & Yathish

Chartered Accountants

FRN 008964S

Kusuma Yathish

Partner

Membership No.209637

Bangalore

Date : 30/05/2014

For and on behalf of the board

Rajeev Sikka

Chairman & Managing Director

R.N. Chawhan

Director

Kunal Sikka
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note No	Figures for the year ended for current Reporting Period	Figures for the year ended for previous Reporting Period
I. Revenue From Operations	20	218,980,318	74,021,725
II. Other Income	21	6,147,280	3,663,964
III. Total Revenue (I +II)		225,127,598	77,685,689
IV. Expenses:			
Cost of Materials Consumed	22	46,270,820	13,180,446
Purchases of Stock in Trade	23	75,658,299	21,729,128
Changes in Inventories of finished goods, Work in Progress	24	19,925,736	(15,491,000)
Employee Benefits Expense	25	23,005,746	16,793,118
Finance Costs	26	3,815,844	3,083,031
Depreciation and Amortization Expense	12	3,531,108	2,712,736
Amortization of Goodwill		692,266	-
Other Expenses	27	31,714,565	25,909,860
Total Expenses		204,614,384	67,917,319
V. Profit Before Tax (III - IV)		20,513,214	9,768,370
VI. Tax Expense:			
(1) Current Tax expense for Current year		5,565,513	2,720,976
(2) Current Tax expense for Earlier years		-	(253,661)
(3) Deferred Tax Expenses		1,447,543	314,461
VII. Profit before share of profit of associates and Minority Interest (V - VI)		13,500,159	6,986,594
VIII. Minority Interest		58,356	50,150
IX. Profit for the year (VII-VIII)		13,441,803	6,936,444
X. Earning Per Share			
(1) Basic	28	3.17	1.64
(2) Diluted	28	3.17	1.64

Significant Accounting Policies and Notes On Accounts

1 to 39

Note referred to above form an integral part of this Profit and Loss. As per our report of even date.

For M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

For and on behalf of the board

Kusuma Yathish
Partner
Membership No.209637

Rajeev Sikka
Chairman & Managing Director

R.N. Chawhan
Director

Bangalore
Date : 30/05/2014

Kunal Sikka
Chief Financial Officer

Consolidated Cash Flow Statement for the Year ended 31st March 2014

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
A] CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income before Taxation and Extraordinary items	20,513,214	9,768,370
Add/(Less) : Adjustments for :-		
Depreciation and amortization	4,223,374	2,712,736
Gain on sale of fixed assets	(210,283)	-
Loss on sale of fixed assets	2,103	
Finance Cost	3,815,844	3,083,031
Net Gain on Sale of Investments	-	(360,113)
Interest on Deposits	(2,230,264)	(2,651,170)
Dividend Received	(48,079)	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	26,065,910	12,552,855
Changes in Working Capital		
Adjustments for (increase)/decrease in operating assets		
Trade Receivables	(15,381,830)	13,473,349
Inventories	17,472,597	(18,208,528)
Short-term Loans & Advances	1,823,591	9,594,630
Long Term Loans & Advances	1,078,032	16,299,269
Other Current Assets	137,484	(957,851)
Adjustments for increase/(decrease) in operating liabilities		
Trade Payables	5,025,507	(1,296,454)
Other current liabilities	(30,373,132)	9,917,598
Short-Term Provisions	1,155,446	(19,123,353)
Long-Term Provisions	(13,298)	(3,056)
Other Long term Liabilities	1,154,130	
Cash generated from operations	8,144,438	22,248,459
Less: Tax Adjustment (paid)/refund	(5,565,513)	(2,467,315)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	2,578,925	19,781,144
B] CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets	(5,565,110)	(5,410,426)
Proceeds from Sale of Fixed Assets	2,079,805	-
Interest on Bank Deposits	2,230,264	2,651,170
Net Gain on Sale of Investments	-	360,113
Sale of Current Investments	-	-
Sale of Non Current Investments		1,400,000
Dividend Received	48,079	
Purchase of Non Current Investments	(48,079)	(852,324)
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(1,255,042)	(1,851,468)

	Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
C]	<u>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</u>		
	Proceeds from issue of Equity Shares		-
	Finance Cost	(3,815,845)	(3,083,031)
	Proceeds from Long Term Borrowings		-
	Repayment of Long Term Borrowings	(4,685,901)	(2,269,737)
	Repayment of Short Term Borrowings		(2,957,126)
	Proceeds from Short Term Borrowings	12,419,182	-
	Dividends Paid	(33,92,140)	(2,544,105)
	Tax on Dividend	(576,494)	(412,717)
	NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	51,199	(11,266,718)
D]	NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	1,272,684	6,662,958
	Add: Cash and Cash Equivalents at beginning of the year	34,732,005	28,069,047
	Cash and Cash Equivalents at end of the year*	3,60,04,689	34,732,005
	* Comprises:		
	(a) Cash on hand	41,662	36,162
	(b) Balances with banks		
	- In current accounts	15,839,635	3,999,614
	(c) Deposits considered as part of cash and cash equivalents	20,123,391	30,696,228
		36,004,689	34,732,005

As per our report of even date.

For M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

For and on behalf of the board

Kusuma Yathish
Partner
Membership No.209637

Rajeev Sikka
Chairman & Managing Director

R.N. Chawhan
Director

Kunal Sikka
Chief Financial Officer

Bangalore
Date : 30/05/2014

1. Principles of Consolidation & Significant Accounting Policies:

I. Principles of Consolidation:

- a. The consolidated financial statements relate to Sika Interplant Systems Limited (parent company), its subsidiaries. The consolidated financial statements have been prepared on the following basis.
- The financial statements of the parent company and its Subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of incomes, expenses, assets and liabilities, after eliminating the intra group balances, intra group transactions and unrealized profits or losses in accordance with Accounting Standard 21 on "consolidated Financial Statements". The share of Minority interest in the subsidiaries has been disclosed separately in the "Consolidated Financial Statements".
 - The Consolidated financial statements have been prepared using uniform accounting policies for the like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements.
 - The excess of cost to the parent company of its investment in the respective subsidiary company is recognized in the financial statements as goodwill.
- b. The Consolidated Financial Statements include the results of the following entities.

Sl. No	Name of the Company	Relation	Ownership Interest
1.	Sikka N Sikka Engineers Pvt Ltd	Subsidiary	100 %
2.	Emsac Engineering Pvt Ltd	Subsidiary	51 %
3.	Sika Tourism Pvt Ltd	Subsidiary	99.99 %

II. Significant Accounting Policies:

- a. Significant Accounting Policies of the parent company and its subsidiaries are similar in nature except for accounting of retirement Benefits in accordance with AS 15 in Sikka N Sikka Engineers Pvt Ltd. However impact of the same is not material and the accounting policies of the parent company are enclosed as Annexure 1

Annexure 1

a) Accounting Convention:

The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Companies Act.

b) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment (if any). All costs relating to the acquisition and installation of fixed assets have been capitalized.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, development/construction costs, borrowing costs and other direct expenditure including advances to contractors and others.

Intangibles having the characteristic of assets, capable of generating future economic benefits and are reliably measurable are stated at cost.

Depreciation/Amortisation

Depreciation on assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 on straight-line method.

Amortisation of Intangibles is done based on the benefits derived. Amortization is not being done in respect of intangibles which are available for use to the company in perpetuity.

c) Valuation of Inventories:

Stock of spare parts, raw materials and stock in trade are valued at lower of cost and net realizable value. Work-in-progress is valued at cost.

d) Valuation of Investments:

Current investments are valued at the lower of cost and market value.

e) Retirement Benefits:

Company has Group Gratuity policy with Life Insurance Corporation of India and the premiums determined there at is charged to revenue. The Company has provided for Leave Encashment based on accumulated un-availed leave by the employees as on the date of Balance Sheet.

f) Revenue Recognition:

- i. Revenue from sale of goods is recognized on passing of the property in goods.
- ii. Services – Revenue from services is recognized on completion of service.
- iii. Warranties – Revenue from warranties in connection with post sale services is recognized on pro-rata basis over the warranty period.
- iv. Profit on sale of investments: Profit / loss on sale of investments are recognized on the date of redemption.

g) Foreign Currency Transactions:

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

h) Provisions:

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

i) Segment Reporting Policies**Primary Business Segments:**

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services. Thereby there is no geographical segment.

j) Impairment of Assets

At each Balance Sheet date the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount and if this is lower than the carrying amount of the asset, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

k) Taxation

Current Taxation and Deferred Taxation:

Provision for current income tax is made on the assessable income at the rates applicable to the relevant assessment year.

Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

l) Earning Per Share.

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares are outstanding during the period adjusted for events including a bonus issue, bonus element in a rights issue to existing share holders, share split and reverse share split.

Notes on Consolidated Financial Statements for the year ended 31st March, 2014

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
2. SHARE CAPITAL		
Equity Shares with Voting Rights Authorised		
5,000,000 Equity Shares of Rs. 10/- each (Previous Year 5,000,000 Equity Shares of Rs.10 /- each)	50,000,000	50,000,000
Equity Shares with Voting Rights Issued and Subscribed		
42,40,175 Equity Shares of Rs. 10/- each (Previous Year 42,40,175 Equity Shares of Rs.10 /- each)	42,401,750	42,401,750
Equity Shares with Voting Rights Paid Up		
42,40,175 Equity Shares of Rs. 10/- each (Previous Year 42,40,175 Equity Shares of Rs.10 /- each)	42,401,750	42,401,750
TOTAL	42,401,750	42,401,750

Details of Shareholders holding more than 5% shares

Name of the Shareholder	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
Equity Shares with Voting Rights		
Ultraweld Engineers Private Limited		
No of Shares	2,970,613	2,953,185
% held	70.06%	69.65%

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
Opening Balance	4,240,175	4,240,175
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Closing Balance	4,240,175	4,240,175

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
3.RESERVES AND SURPLUS		
General Reserve		
Opening Balance	4,401,400	4,401,400
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised/ Transferred during the year	-	-
Closing Balance	4,401,400	4,401,400
Capital Reserve		
Opening Balance	60,676,001	60,676,001
Add: Additions during the year	-	-
Less: Utilised/ Transferred during the year	-	-
Closing Balance	60,676,001	60,676,001
Securities Premium Account		
Opening Balance	177,967,000	177,967,000
Add: Premium on shares issued during the year	-	-
Less: Utilised during the year	-	-
Closing Balance	177,967,000	177,967,000
Profit/Loss for the Year		
Opening Balance	82,558,077	79,936,296
Add : Transferred from Statement of Profit and Loss	13,441,802	6,936,444
	95,999,879	85,771,940
Less:		
(1) Proposed Dividend (Dividends Proposed to be Distributed to Equity Shareholders (Re.80 paise per share))	3,392,140	2,544,105
(2) Tax On Proposed Dividend	576,494	412,717
	3,968,634	2,956,822
Less: Stock Reserve (Refer note 38)	(75,960)	(2,57,040)
Closing Balance	91,955,285	82,558,077
TOTAL	334,999,656	325,602,478

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
NON CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
A.Loans from Banks		
Secured		
Term Loan (Term Loan sanctioned of Rs.3,44,05,043/- is Secured by book debts, stock and Land at Bommasandra)	8,279,608	12,839,609
Long Term Maturities of Finance Lease Obligations (Secured by Vehicle purchased out of above) (Refer Note No.36)	-	222,627
B. From Other Parties		
Secured		
Long Term Maturities of Finance Lease Obligations (Loans from Others are secured by Vehicles acquired out of the Above Loans) (Refer Note No.37)	607,716	510,989
TOTAL	8,887,324	13,573,225

Loan Tenure

Rate of Interest
Base rate+Floating rate
of 2.25% currently at
12.75%

1. Term Loan from Bank
2. Vehicle Loan from Bank
3. Four Vehicle Loans from NBFC are borrowed for a tenure of 3 years with rate of interest of 10.50%,11.76%,11.00% and 11.00%.

4 years**3 years****11.00%**

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
5. DEFERRED TAX LIABILITY		
The accumulated impact of deferred tax arising on account of timing differences and expected to be reversed during forthcoming years is recognised as an adjustment to balance of Profit and Loss Account as prescribed in AS 22. The composition of accumulated deferred tax liability is as under:		
-Deferred Tax liability Related to Fixed Assets- Depreciation	3,226,984	1,762,801
-Deferred Tax Asset Related to expenditure allowed under the Income Tax Act, 1961 on payment basis	179,531	162,892
-Deferred Tax liability (Net)	3,406,515	1,925,693

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
6. OTHER NON CURRENT LIABILITIES		
Other Payables		
Security Deposit	1,654,130	500,000
TOTAL	1,654,130	500,000

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
7. LONG-TERM PROVISIONS		
Provision For Employee Benefits		
Leave Encashment (Unfunded)	1,01,087	1,14,385
TOTAL	1,01,087	1,14,385

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
8. SHORT TERM BORROWINGS		
Loans/Advances repayable and demand from Banks Secured		
Working Capital Loans from Banks (Working Capital loans are secured by book debts, stock and Land at Bommasandra)	17,285,848	4,866,667
TOTAL	17,285,848	4,866,667

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
9. TRADE PAYABLES		
Trade Payables-Others	12,498,844	7,473,337
TOTAL	12,498,844	7,473,337

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
10. OTHER CURRENT LIABILITIES		
Secured		
Current Maturities of Long term Debt		
Loans from Banks		
Term Loan from Bank	4,560,000	4,560,000
Vehicle Loan from Bank	219,007	199,531
From Others		
Secured		
Vehicle Loan From NBFC	773,157	1,032,782
Unclaimed Dividends	594,147	652,559
Payables to Related Parties	139,638	76,068
Statutory Remittances	1,051,216	783,848
Payable to Employees	1,347,776	1,170,018
Other Payables	553,530	607,918
Advances From Customer for supplies/services	2,951,315	33,480,195
TOTAL	12,189,786	42,562,918

Notes on Consolidated Financial Statements for the Year ended 31st March , 2014

Note No.12-Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance at 1st April 2013	Additions	Deduction/ Adjustments	Balance as at 31st March 2014	Balance as at 1st April 2013	Depre- ciation for the year	Accumulated Depreciation on disposal of Assets	Balance as at 31st March 2014	As at 31st March 2014	As at 31st March 2013
(i) Tangible Assets										
Freehold Land	25,51,40,290	-	-	25,51,40,290	-	-	-	-	25,51,40,290	25,51,40,290
Leasehold Land at Mysore	58,82,629	-	-	58,82,629	-	-	-	-	58,82,629	58,82,629
Building	1,54,04,057	4,91,75,251	21,87,264	6,23,92,044	8,49,717	13,29,498	4,69,278	17,09,937	6,06,82,107	1,45,54,340
Plant and Machinery	38,93,849	-	4,83,545	34,10,304	14,16,895	1,47,579	4,77,442	10,87,032	23,23,272	24,76,954
Office Equipments	32,99,457	3,53,875	-	36,53,332	11,03,389	1,65,252	-	12,68,641	23,84,691	21,96,068
Furniture & Fixtures	48,71,749	20,460	-	48,92,209	20,18,322	2,82,376	-	23,04,698	25,87,511	28,53,427
Vehicles	1,28,20,960	12,14,059	25,42,406	1,14,92,613	68,53,310	10,52,428	23,94,870	55,10,868	59,81,745	59,67,650
Computers	54,52,991	3,89,905	13,52,382	44,90,514	44,20,275	4,20,572	13,52,382	34,88,465	10,02,049	10,32,716
Total	30,67,65,982	5,11,53,550	65,65,597	35,13,53,935	1,66,61,908	34,01,705	46,93,972	1,53,69,641	33,59,84,294	29,01,04,074
Previous Year	30,71,43,152	6,37,874	10,15,044	30,67,65,982	1,50,62,052	26,14,900	10,15,044	1,66,61,907	29,01,04,075	29,20,81,100
(ii) Intangible Assets										
Software	7,72,717	1,06,986	-	8,79,703	97,979	1,29,403	-	2,27,382	6,52,321	6,74,738
Total	7,72,717	1,06,986	-	8,79,703	97,979	1,29,403	-	2,27,382	6,52,321	6,74,738
Previous Year	37,86,330	4,47,717	34,61,330	7,72,717	143	97,836	-	97,979	6,74,738	37,86,187
(iii) Capital Work In progress										
Factory at Bommasandra Unit	4,56,95,424	6,52,797	4,63,48,221	-	-	-	-	-	-	4,56,95,424
Tourism - Project	16,11,711	-	-	16,11,711	-	-	-	-	16,11,711	16,11,711
Total	4,73,07,135	6,52,797	4,63,48,221	16,11,711	-	-	-	-	16,11,711	4,73,07,135
Capital WIP Previous Year	4,29,82,301	43,24,834	-	4,73,07,135	-	-	-	-	4,73,07,135	4,29,82,301

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
11. SHORT TERM PROVISIONS		
Provision For Employee Benefits		
Leave Encashment (Unfunded)	21,272	21,047
Bonus	601,652	458,244
Provision For Others		
Provision for Proposed Dividend	3,392,140	2,544,105
Provision for Tax on Proposed Dividend	576,494	412,717
TOTAL	4,591,558	3,436,112

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
13. NON CURRENT INVESTMENTS		
Other Investments (at Cost)		
Quoted		
Investment in Equity Instruments		
Melstar Information Technologies Ltd (Market Value 1,600/-, Previous Year Rs.2,456/-)	9,520	9,520
Current Year-800 Shares of Rs.10/- each (Previous Year-800 Shares of Rs. 10/- each)		
Investment in Mutual Funds		
Birla Dynamic Bond Fund	250,000	250,000
Current Year-13,805.290 units of Rs.21.22/- each (Previous year-13,805.290 units of Rs.18.1090 each) (Market Value-Rs.2,92,948/-,Previous Year-Rs.2,73,897/-)		
Birla Sunlife	218,113	200,000
(Current Year -20532.184 units of Rs.10.2512/- each; PY - 18,786.75 units of Rs 10.5471/- each) (Market Value, CY-Rs 2,10,479.52/-, PY -Rs 1,97,920/-)		
Birla (Floating)	216,741	202,324
(Current Year -2166.450 units of Rs.100.2011/- each ; PY - 2,001.58 of Rs.100.005 each) (Market Value, CY-Rs.2,17,080.67/-, PY -Rs. 2,00,168/-)		
IDFC Mutual Fund	107,350	100,000
(Current Year -10,603.014 units of Rs.10.0740/- each ; PY - 9,873.03 units of Rs Rs.10.006/- each) (Market Value, CY-Rs.1,06,814.76/-, PY -Rs. 99,411/-)		
Templeton India	108,199	100,000
(Current Year -10,603.014 units of Rs.10.469 each ; PY - 9,606.43 units of Rs.10.3621/- each) (Market Value, CY-Rs.1,08,821.67/-, PY - Rs.99,543/-)		
Unquoted		
Government Securities	500	500
TOTAL	910,423	862,344

Note:		
a) Aggregate amount of quoted investments	909,923	8,61,844
b) Aggregate amount of unquoted investments	500	500
c) Aggregate market value of listed and quoted investments	937,745	873,395

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
14. LONG TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Balance with Government Authorities	-	53,976
Advance Income Tax (Net of provisions)	851,835	1,784,280
Security Deposits	1,940,481	2,032,092
TOTAL	2,792,316	3,870,348

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
CURRENT ASSETS		
15. INVENTORIES (At lower of cost and net realisable value)		
Raw Materials	6,709,828	4,513,728
Work in Progress	4,341,000	25,535,000
Finished Goods	2,252,264	984,000
Less : Closing Stock Reserve (Refer note 38)	(75,960)	(257,040)
TOTAL	13,227,132	30,775,688

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
16. TRADE RECEIVABLES		
Unsecured and Considered Good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	4,767,321	13,806,901
Other Trade Receivables	37,114,494	12,693,085
TOTAL	41,881,815	26,499,986

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
17. CASH AND CASH EQUIVALENTS		
Cash on Hand	41,662	36,162
Balance with Banks		
In Current Accounts	7,605,099	380,004
In EEFC Accounts	7,634,231	2,953,497
In Dividend Account	600,305	666,114
In Demand Deposit Accounts	20,123,391	30,696,228
TOTAL	36,004,689	34,732,004

Notes:

i) Balances with bank include deposits with remaining maturity of more than 12 months from the balance sheet date	1,00,000	17,197,459
ii) Balances with banks held as Margin Money deposits against guarantees	1,536,372	7,369,690

Cash and Cash equivalents as of March 31, 2014 and March 31, 2013 include restricted cash and bank balances of INR 15,36,372/- and INR 73,69,690/- , respectively. The restrictions are on account of deposits held as Margin deposits against guarantees and bank balances against Unclaimed Dividends

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
18. SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Balances with Government Authorities	757,267	434,251
Advance Given to Employees	81,829	111,779
Advance Given To Suppliers	793,984	2,969,700
Other Loans and Advances	980	29,324
Prepaid Expenses	234,274	146,871
TOTAL	1,868,334	3,691,925

Notes on Consolidated Financial Statements for the Year ended 31st March, 2014

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
19. OTHER CURRENT ASSETS		
Unamortised Expenses		
Pre-Operative Expenses	-	22,472
Preliminary Expenses	-	22,903
Interest accrued on deposits	860,923	953,033
Others	68,000	68,000
TOTAL	928,923	1,066,408

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
20. REVENUE FROM OPERATIONS		
Sale of Engineering Systems	88,802,635	9,000,740
Sale of Engineering Products	82,875,993	30,659,250
Sale of Engineering Services	47,279,473	34,361,735
Other Operating Income	22,217	-
TOTAL	218,980,318	74,021,725

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
21. OTHER INCOME		
Interest from banks		
From Deposits	2,230,264	2,651,170
Rental Income*	577,065	-
Dividend Received	48,079	2,324
Net Gain due to Foreign Exchange Differences	2,963,004	-
Net Gain on sale of Fixed Asset	210,283	-
Net Gain on sale of Investments	-	360,113
Other Income	118,586	650,358
TOTAL	6,147,280	3,663,964

*The company has entered into commercial property leases on its investment property portfolio, consisting of the company's surplus office .

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
22. COST OF MATERIAL CONSUMED		
Imported	19,737,501	7,351,580
Indigeneous	26,533,319	5,828,866
TOTAL	46,270,820	13,180,446

Percentage of Consumption	2013-14	2012-13
Imported	42.66%	55.78%
Indigeneous	57.34%	44.22%

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
22. 1.Particulars of Materials consumed		
Mechanical Components	22,192,961	9,399,369
Electrical Components	10,453,620	689,540
Others	13,624,239	3,091,537
TOTAL	46,270,820	13,180,446

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
23. PURCHASES		
Purchase of Stock in Trade Products	75,658,299	21,729,128
TOTAL	75,658,299	21,729,128

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
23. 1. Particulars of Purchases of Stock in Trade		
Mechanical Components	65,463,496	9,971,818
Electrical Components	8,721,612	10,445,324
Others	1,473,191	1,311,986
TOTAL	75,658,299	21,729,128

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
24. CHANGES IN INVENTORY OF WORK IN PROGRESS, FINISHED GOODS		
Inventories at the end of the year		
Finished Goods	2,252,264	984,000
Work in progress	4,341,000	25,535,000
TOTAL	6,593,264	26,519,000
Inventories at the beginning of the year		
Finished Goods	984,000	
Work in progress	25,535,000	11,028,000
TOTAL	26,519,000	11,028,000
Net (Increase)/Decrease	19,925,736	(15,491,000)

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
25. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	21,656,710	15,730,083
Staff welfare expenses	432,345	297,602
Contribution to Provident & Other Funds	916,691	765,433
	-	
TOTAL	23,005,746	16,793,118

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
26. FINANCE COSTS		
Interest Expense	3,815,844	3,083,031
TOTAL	3,815,844	3,083,031

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
27. OTHER EXPENSES		
Manufacturing Expenses		
Electricity and Water Charges	732,840	724,758
Net Loss due to Foreign Exchange Differences	149,547	668,029
Repairs & Maintenance-Building	1,332,332	1,522,658
Repairs & Maintenance-Machinery	2,133,845	1,289,760
Staff Training and Education	374,489	-
Rates and Taxes	173,590	14,134
Retainership Fees	3,198,406	1,289,760
	-	-
Selling and Distribution Expenses	-	-
Advertisement expenses	209,537	205,651
Sales Tax	116,422	40,672
Sales Promotion Expenses	3,046,909	2,282,723
Seminar and Exhibition charges	1,419,689	1,593,827
	-	-
Establishment Expenses	-	-
AGM Expenses	33,620	20,430
Bank Charges	912,294	325,077
Commission and Brokerage	192,100	-
Communication Expenses	675,551	678,005
Discounts, Bad Debts and other write offs	1,524,810	77,187
Charity and Donations	40,000	10,000
Insurance	231,587	204,877
Loss on Sale of Machinery	2,103	-
Office Expenses	188,513	129,340
Preliminary Expenses written off	45,375	10,000
Rates and Taxes	246,853	237,171
Printing and Stationery	491,079	412,576
Rent	1,090,364	1,223,471
Legal and Professional Charges	4,670,231	6,369,888
Sitting Fees	22,500	25,000
Travel and Conveyance Expense	8,131,533	6,217,519
Miscellaneous Expenses	11,310	16,448
	-	-
Payment to Auditors	-	-
-As Auditors - Statutory Audit	264,046	252,810
-As Auditors - Tax Audit	28,090	28,090
Certification and Consultation Fees	25,000	40,000
TOTAL	31,714,565	24,620,100

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
28.EARNINGS PER SHARE		
I. Net Profit As Per Profit And Loss Account Available For Equity Shareholders	13,441,803	6,936,444
II. Weighted Average Number of Equity Shares for Earnings Per Share Computation		
a. For Basic Earnings per Share	4,240,175	4,240,175
b. For Diluted Earnings per Share	4,240,175	4,240,175
III. Earnings Per Share (Face Value of Rs.10/- each)		
Basic	3.17	1.64
Diluted	3.17	1.64

Particulars	Figures as at the end of current Reporting Period	Figures as at the end of previous Reporting Period
29. CONTINGENT LIABILITY AND COMMITMENTS		
- Bank Guarantee	10,788,534	49,822,786
TOTAL	10,788,534	49,822,786

SIKA INTERPLANT SYSTEMS LIMITED

CONSOLIDATED NOTES ON ACCOUNTS AS AT 31.03.2014

30. The information required to be disclosed under the Micro, Small, Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

31. Capital Reserve and Securities Premium have arose pursuant to a scheme of merger approved by the Honorable High Court of Karnataka.

32. Expenditure in Foreign Currency

(Amounts in INR)

Particulars	2013-14	2012-13
Raw Materials & components, Software	2,23,84,182	1,00,47,197
Purchases & services	7,77,74,986	2,46,73,094
Travelling Expenses	40,27,500	19,00,897
Total	10,41,86,668	3,66,21,188

33. Sale by class of goods

(Amounts in INR)

Particulars	2013-14	2012-13
1. Finished Engineering system		
(a) Handling Systems	8,39,82,721	90,00,74
(b) Others	48,19,914	-
Total	8,88,02,635	90,00,740
2. Engineering Products		
(a) Servo Products	8,21,25,473	1,44,65,750
(b) Software & others	7,50,520	1,61,93,500
Total	8,28,75,993	3,06,59,250
3. Sale of Engineering Services		
(a) Designs and Drawings	3,29,11,786	2,40,55,043
(b) Others	1,43,67,687	1,03,06,692
Total	4,72,79,473	3,43,61,735

34. Earnings in Foreign Currency (on FOB basis)

(Amounts in INR)

Particulars	2013-14	2012-13
Others (on A/c. of Export Services and Sales)	3,40,21,154	2,49,51,711

35 Related party transactions

(Amounts in INR)

Particulars	Referred to in (a) below		Referred to in (b) below		Referred to in (c) below	
	31.3. 2014	31.3. 2013	31.3. 2014	31.3. 2013	31.3. 2014	31.3. 2013
Expenses:						
a. Remuneration	-	-	19,35,646	22,07,011		-
b. Rent and maintenance	-	-	-	-	-	4,05,000
c. Prof charges	-	-	-	-	9,24,000	4,23,400
d. Salary Paid	-	-	13,72,916	13,73,157	-	-
Other Transactions Outstanding:						
a. Prof Charges/ Remuneration	-	-	1,39,638	62,550	77,000	1,56,800

Related Party Information

Relationship

a. Where significant influence exists(Affiliates)

1. M/s. Sikka N Sikka Engineers Pvt Ltd
2. M/s. Emsac Engineering Pvt Ltd
3. M/s. Ultraweld Engineers Pvt Ltd

b. Key Management Personnel

1. Mr. Rajeev Sikka
2. Mr. Kunal Sikka

c. Relatives of Key Management Personnel

1. Mrs. Krishna Sikka
2. Mrs. Anuradha Sikka

36. In respect of fixed assets acquired on terms loans from bank the minimum lease rentals outstanding are as follows:

(Amounts in INR)

Particulars	Minimum Lease Payments Outstanding(EMI)		Future Interest on Outstanding Lease Payments (Interest)		Present Value of Minimum Lease Payments(Principal)	
	As at 31st Mar 2014	As at 31st Mar 2013	As at 31st Mar 2014	As at 31st Mar 2013	As at 31st Mar 2014	As at 31st Mar 2013
Within One year	59,30,000	66,89,425	13,70,000	21,29,425	45,60,000	45,60,000
> 1 year and < 5 Years	92,82,000	1,52,12,000	10,03,000	23,73,000	82,79,000	1,28,39,000
> 5 Years	-	-	-	-	-	-
Total	1,52,12,000	2,19,01,425	23,73,000	45,02,425	1,28,39,000	1,73,99,000

37. In respect of fixed assets acquired on finance lease, the minimum lease rentals outstanding are as follows:

(Amounts in INR)

Particulars	Minimum Lease Payments Outstanding(EMI)		Future Interest on Outstanding Lease Payments (Interest)		Present Value of Minimum Lease Payments(Principal)	
	As at 31st Mar 2014	As at 31st Mar 2013	As at 31st Mar 2014	As at 31st Mar 2013	As at 31st Mar 2014	As at 31st Mar 2013
Within One year	11,03,056	13,86,352	1,10,896	1,54,039	9,92,160	12,32,312
> 1 year and < 5 Years	6,74,659	7,66,466	66,943	32,850	6,07,716	7,33,616
> 5 Years	-	-	-	-	-	-
Total	17,77,715	21,52,818	1,77,839	1,86,890	15,99,876	19,65,928

38. Emsac Engineering (P) Ltd (Subsidiary company) had rendered the services to Sika Interplant Systems (holding company), being upward transaction, stock reserve on the same has been reduced from Reserves & Surplus and the effect of the same is not given to Minority Interest

39. Previous year's figures have been recast / restated, wherever necessary, to make them comparable with those of the current year.

For
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Kusuma Yathish

Partner
Membership No.209637

For and on behalf of the board

Rajeev Sikka
Chairman & Managing Director

R.N. Chawhan
Director

Kunal Sikka
Chief Financial Officer

Bangalore
Date : 30/05/2014

STATEMENT PURUANT TO SECTION 212 OF THE COMPANIES ACT 1956

Amount in INR in lakhs

Subsidiary Name	Sikka n Sikka Engineers Ltd		Emsac Engineering LTD		Sika Tourism Ltd	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Holding Company's interest in Equity Capital	6.00	6.00	2.55	2.55	1.00	1.00
(i) Number – equity	100%	100%	51%	51%	100%	99.99%
(ii) Extent of Holding in %						
Capital	6.00	6.00	5.00	5.00	1.00	1.00
Reserves	80.83	73.73	14.86	13.67	-	-
Total Liabilities	89.32	82.56	45.02	29.71	0.37	1.11
Total Assets	89.32	82.56	45.02	29.71	0.37	1.11
Turnover	15.15	11.64	64.90	45.77	-	-
Profit before tax	7.98	4.69	1.72	1.48	-	-
Profit after tax	7.10	4.83	1.44	1.02	-	-



P R O X Y

SIKA INTERPLANT SYSTEMS LTD

I/We.....of.....in the District of
being a member/members of above named Company hereby appoint

Mr./Mrs..... of in the District of
..... or failing him Mr./Mrs of

.....in the District of
as my / our proxy to vote for me / us on my / our behalf at the twenty eighth Annual General Meeting of the Company to be held2014.

Signed this..... day of2014

NOTE : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

ATTENDANCE SLIP

Folio No..... D.P.ID client No..... No. of shares held.....

Please complete this attendance slip and hand it over at the entrance of the Hall. I hereby record my presence at the twenty fifth Annual General Meeting of the Company to be held at Hotel Ajantha on2014

Full Name of the Member/ProxySignature

Note : Only Shareholders of the Company or their authorised proxy will be allowed to attend the Meeting.

ELECTRONIC CLEARING SERVICE MANDATE FORM

1. Name of the shareholder..... No. of shares held.....
2. Regd. Folio No./DP Client ID.....
3. Particulars of bank account of shareholder
 - a) Bank Nameb) Branch Name.....
 - Address:.....
 - c) 9-Digit code number of the bank and branch appearing on the MICR cheque issued by the bank
 - d) Account Number (as appearing on the cheque book/passbook)
 - e) Account type (Savings / Current / NRE / NRO)

I/We shall not hold the Company responsible if the ECS could not be implemented or the Bank discontinues the ECS, for any reason.

Date :

Place:

Signature of the shareholder

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

Date : Signature of the Authorised Officer from the bank.

Note:

1. Please complete the form and send it to the Company if you are holding shares certificate(s) in physical form.
2. In case your shares are in dematerialised form, inform/update your information directly with the depository participant (DP) with whom you are maintaining demat account and not to the company.
3. In case of more than one Folio please complete the details on separate sheets.
4. Payments through ECS is subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.