

*10<sup>th</sup>  
Annual  
Report  
2000*



**SHIMOGA TECHNOLOGIES LIMITED**



**SHIMOGA TECHNOLOGIES LIMITED**

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**BOARD OF DIRECTORS**

S.SURESH, *Chairman & Managing Director*  
B.R.SRINIVASA MURTHY  
SHAILAJA SURESH

**COMPANY SECRETARY**

U.VIVEKANANDA NAYAK

**AUDITORS**

M/S.RAMRAJ & CO.,  
Chartered Accountants  
No.17, 59th Cross, V Block,  
Rajajinagar,  
Bangalore - 560 010  
Ph : 080-3380527

**BANKERS**

BANK OF INDIA  
Corporate Banking Branch  
Bangalore - 560 025

**REGISTERED OFFICE**

# 211/20, 11th Main Road  
16th Cross, Wilson Garden  
Bangalore - 560 030

**WORKS**

Plot No.12 & 13  
Industrial Estate,  
Sagar Road,  
Shimoga - 577 204


**SHIMOGA TECHNOLOGIES LIMITED**
**NOTICE**

Notice is hereby given that the 10th Annual General Meeting of SHIMOGA TECHNOLOGIES LIMITED will be held at 11.00 A.M. on Saturday, 23rd day of June, 2001 at The Bangalore Gayana Samaja, Sri Krishnarajendra Road, Bangalore - 04 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 2000, and the Profit and Loss Account for the year ended on that date, and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Shailaja Suresh, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and fix their remuneration by passing following Resolution as an Ordinary Resolution with or without modification(s):

"RESOLVED that M/s. Ramraj & Co., Chartered Accountants, Bangalore, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting, on a remuneration plus reimbursement of out of pocket expenses incurred by them, as mutually agreed upon by the Board of Directors and the said firm."

Place : Bangalore  
Date : 28.02.2001

By order of the Board  
for SHIMOGA TECHNOLOGIES LTD

**Vivekananda Nayak U.**  
Company Secretary

**NOTES**

(FORMING PART OF THE NOTICE)

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxies, duly signed (if jointly held signed by all the holders thereof) in the format annexed hereto must be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. As per the Companies Act, 1956, as amended, a shareholder may nominate in the prescribed manner a person to whom his shares in the Company shall vest in the event of death (Form No.2B of the Companies (Central Govt's) General Rules & Forms). In the case of joint holding, joint holders may together nominate a person to whom the shares shall vest in the event of death of all the joint holders. Shareholders are requested to avail the facility.
4. Equity shares of the Company are in the depository set up by National Securities Depository Ltd. and Central Depository Services (India) Ltd. The shares of the Company are in the Compulsory Dematerialisation list specified by SEBI and are traded in the Demat mode. Shareholders are requested to get their holding dematerialized as early as possible, in their own interest.
5. Register of Members and Share Transfer Books of the Company will remain closed from 8.6.2001 to 23.6.2001 (both days inclusive).
6. Members are requested to intimate immediately any change in their address to the Company's Registered Office, quoting Registered Folio Number.

Place : Bangalore  
Date : 28.02.2001

By order of the Board  
for SHIMOGA TECHNOLOGIES LTD

Regd. Office:  
No.211/20,  
11th Main Road, 16th Cross,  
Wilson Garden,  
Bangalore - 560 030

**Vivekananda Nayak U.**  
Company Secretary

**TENTH ANNUAL REPORT 2000****DIRECTORS' REPORT**

Your Directors place the Tenth Annual Report on the working of your Company for the financial Year ended on 31.12.2000.

Particulars	Year ended 31.12.2000 Rs.	Year ended 31.12.1999 Rs.
Sales and other Income	4,32,66,803	5,07,94,452
Profit before IDT	(18,76,389)	88,87,276
Less: (i) Interest	96,21,750	97,11,740
(ii) Depreciation	—	32,17,977
(iii) Tax	—	Nil
Balance available for appropriation	(1,14,98,139)	(40,42,441)
Balance transferred from previous year	(91,66,516)	(51,24,075)
Profit/Loss	(2,06,64,655)	(91,66,516)

**PERFORMANCE :**

Your company has achieved a turnover of Rs.431.74 lakhs during 2000. During the year under review, the comparative figures of the company doesn't show improvement in the performance mainly because of diversification activity taken-up in the previous year. Directors feel it will take some time to stabilise the new venture. Since this was the first year since we started the Software division of the company, in the years to come, we expect software division to contribute considerably to the total performance of the company.

**SOFTWARE DIVISION**

As the shareholders are aware that the company has entered into the software business in addition to existing Forging business during early 2000

the company was mainly involved in setting up this division as full-fledged software development unit. The required infrastructure and manpower are in place. Our software team has developed a Banking software 'Conch Bank' meant for Co-operative sector Banks and societies. This has been officially launched at Shimoga during April 2001. Efforts have been directed to start new venture of development of an E.R.P. Project, which has indicated positive signals. Your directors are confident about the set-up of company's software division. During the current year, the company should be able to develop few software projects and IT enabled services.

**FIXED DEPOSITS**

Your Company has renewed deposits for a sum of Rs.8,68,000/- and no fresh deposits have been accepted during the year. The Company has neither overdue deposits nor unclaimed deposits matured on the date of the Balance Sheet.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Smt. Shailaja Suresh is due to retire by rotation in the forthcoming Annual General Meeting and is eligible for reappointment. She has offered herself for reappointment. Yours Directors recommend her reappointment.

The Directors' Responsibility Statement under Section 217 (2AA) of the Companies Act, 1956:

1. The Company has followed all the applicable accounting standards and there is no material departure from this in the preparation of the annual accounts.
2. The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are



## SHIMOGA TECHNOLOGIES LIMITED

reponsible 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 or loss of the company for that period.

3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

### LISTING OF SHARES

Your Company's shares are listed on the following Stock Exchanges namely:

1. Bangalore Stock Exchange Limited, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore - 560 027
2. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
3. Madras Stock Exchange Ltd, Exchange Building, Post Box No.183, No.11, Second Line Beach, Chennai - 600 001.

### AUDITORS

M/s.Ramraj & Co, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a Certificate from the said Auditors, to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 224 (1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

### AUDITORS REPORT

As qualified by the Auditors in their report, in point No.2, with regard to depreciation and

miscellaneous expenses, since, there is no cash outflow from these transactions, company is committed to provide for these items gradually over a period of time.

As qualified by the Auditors in the Annexure to their report in point 17, the delayed Contribution to Employees Provident Fund and Employees State Insurance was due to severe liquidity crisis in the market at the end of year 2000. All the dues have been settled and all the statutory contribution have been provided up to date.

### CORPORATE GOVERNANCE

Securities and exchange board of India has recently notified the code of Corporate Governance applicable to all Listed Companies. As per the schedule of implementation specified by the stock exchanges, your Company has to comply with the Code's requirements from the financial year 2002 onwards. While your Company is already complying with many of the Code's requirements, it would be our endeavor to achieve total compliance of the Code well ahead of the stipulated time frame.

### PARTICULARS OF EMPLOYEES

In compliance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as set out in the Statement and forming part of this report, is attached.

### CONSERVATION OF ENERGY, TECHNOLOGY\* ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The details as required to be furnished pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are appended hereto and forms part of this report.

## TENTH ANNUAL REPORT 2000

### INDUSTRIAL RELATIONS

The Industrial relations with Employees at various levels were very cordial during the year.

### ACKNOWLEDGEMENTS

- The Board of Directors wish to place on record their sincere gratitude for the support being extended to the Company by Industrial Development Bank of India and Bank of India, being Bankers to the Company. Further, the Board wishes to thank various Departments of State and Central Governments, Customers,

Vendors, Trade Suppliers and Shareholders for their whole-hearted Co-operation.

The Directors of your Company are pleased to place on record their appreciation for the dedicated and sincere services rendered by the Officers and Staff at all levels.

Place: Bangalore  
Date: 28.2.2001

for and on behalf of  
**Board of Directors,**

**S.Suresh**  
*Chairman and Managing Director*

### ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended on 31st December, 2000.

Sl.No.	Name	Designation	Qualification	Age	Date of Joining	Experience	Gross Remuneration
1.	Mr.S.Suresh	Chairman & Managing Director	Advanced Diploma in Forging Technology	45 Years	22-10-1990	22 Years	Rs.4,74,000.00

#### NOTE:

- Gross remuneration include Salary, House Rent Allowance, Provident Fund Contribution. S.Suresh's appointment as Managing Director is contractual.
- Sri.Suresh.S and Smt.Shailaja Suresh, Directors of the Company are related to each other.

Place : Bangalore  
Date : 28.2.2001

For and on behalf of Board of Directors,

**S.Suresh**  
*Chairman and Managing Director*


**SHIMOGA TECHNOLOGIES LIMITED**
**ANNEXURE TO THE DIRECTORS' REPORT**
**FORM NO.A**
**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	As on 31-12-2000	As on 31-12-1999
<b>A) POWER &amp; FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
a. Purchased unit	3,52,472	348,324
Total Amount	15,33,149	1,499,435
Rate/Unit	4.35	4.30
b. Own Generation		
i. Through Diesel Oil Cost/Unit	7,482	9,498
Units per litre of Diesel	2.65	2.54
Oil Cost/Unit		
ii. Through steam Turbine	-	-
Generator Units	-	-
Units per liter of	-	-
fuel/Oil/Gas Cost/Unit	-	-
<b>2. Coal (Specify Quality &amp; Where used)</b>	-	-
Total Cost	-	-
Average Rate	-	-
<b>3. Furnace Oil</b>		
Quantity (K.Litre)	214 KL	200 KL
Total Amount	22,34,087	1,495,818
Average Rate	10440/KL	7479/KL
<b>4. Others/internal generation</b>		
(Please give details)	-	-
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-

**B. CONSUMPTION PER UNIT OF PRODUCTION**

	Standard if any	31.12.2000	31.12.99
Products (with details- Unit Electricity)	-	457 Unit/MT	461 Unit/MT
Coal(Specify Quality)	-		
Furnace Oil	-	278 Ltrs/MT	265 Ltrs/MT

Place : Bangalore

Date : 28.2.2001

For and on behalf of Board of Directors,

**S.Suresh**

Chairman and Managing Director