

**25<sup>th</sup>**  
**ANNUAL**  
**REPORT**

**2017-18**



**SHILP**™  
**GRAVURES**  
**LIMITED**





**Late Shri Vitthaldas Patel  
(1925-2018)**

**A Humble Tribute to Our Ex-Chairman  
Fond Remembrance of Our Ex- Chairman  
Late Shri Vitthaldas Patel**

We were immensely grieved by the passing away of Shri Vitthaldas Patel, our beloved Ex-Chairman, on April 6, 2018.

He was 93 years. His association with Shilp Parivar was for more than 25 years. All these years he was the guiding light to us and his leadership as Chairman of the company was a great driving force for the organization.

With his unassuming persona & simplicity, he touched many lives and his achievements set benchmark standards.

Shri Vitthaldas Patel, was the pacesetter for the company and it is because of his unparalleled support and guidance that today Shilp Gravures Limited stands as an ethical business leader in the industry. His loss can never be compensated but his teachings will continue the legacy left by him.

The best way to pay tribute to our Founder, is to continue living his dream and work hard towards achieving greater heights in our business.



**Late Shri Chinubhai Shah  
(1937-2018)**

**A Humble Tribute to Our Board's Member**

**Shri Chinubhai R Shah**, our Independent Director, left us for heavenly abode on June 6, 2018 at the age of 82.

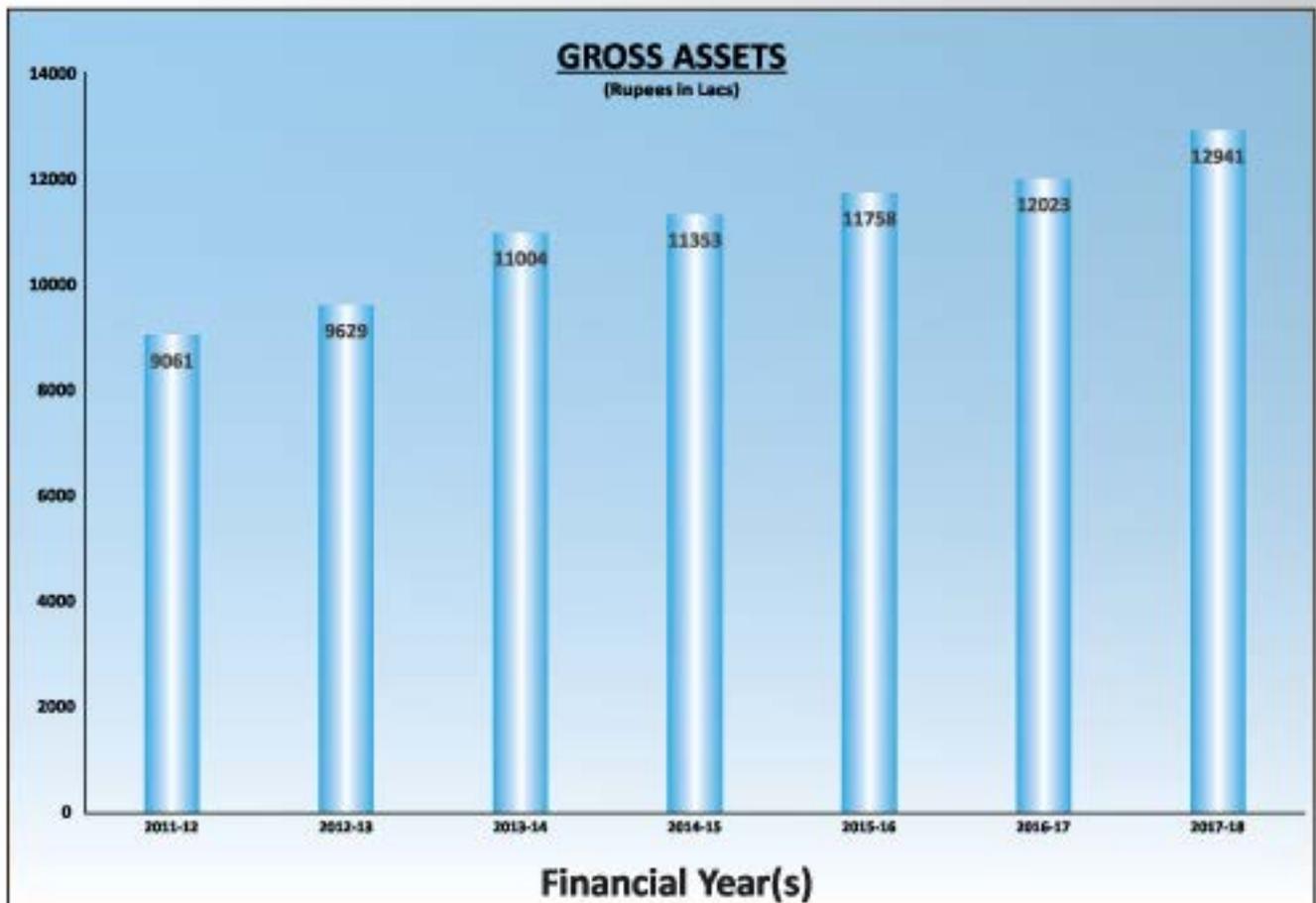
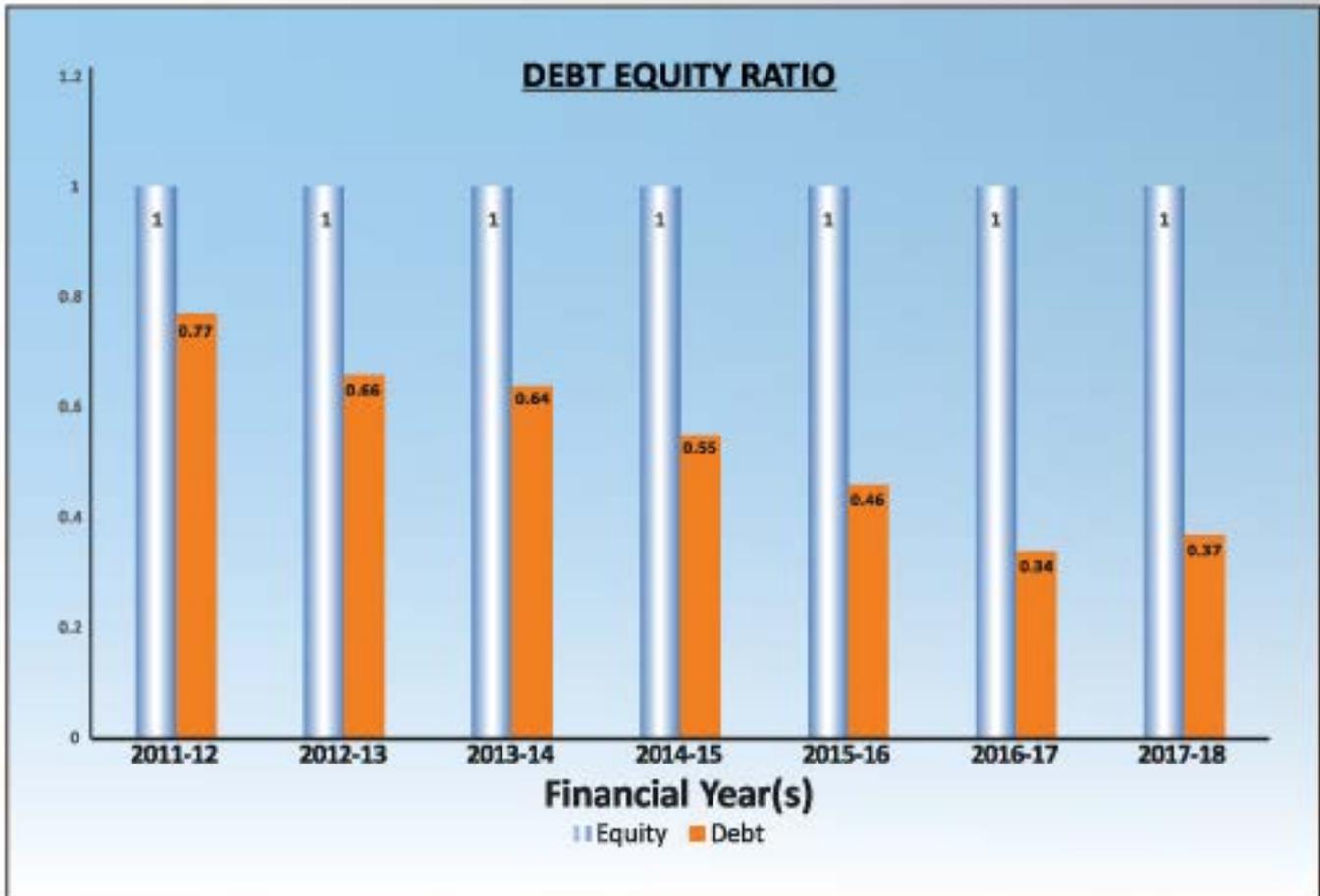
*A renowned name in the corporate world he was associated with Shilp Gravures Limited as Director since 2008. During his tenure on the Board Of Directors at Shilp Gravures Limited, he was also the Chairman of Audit Committee and would often guide the board on various aspects related to managing the business. A visionary with sharp business acumen and immense knowledge, his advise was always aimed in righteous ways and was directive to the Board. His guidance gave a competitive edge to the business and his contribution to company's growth is greatly appreciable.*

Shri Chinubhai R Shah was on the Board of many well-known business entities like Cadila, Adani, Tata and was President of Gujarat Chamber Of Commerce and Industries, Ahmedabad Management Association, All India Management Association.

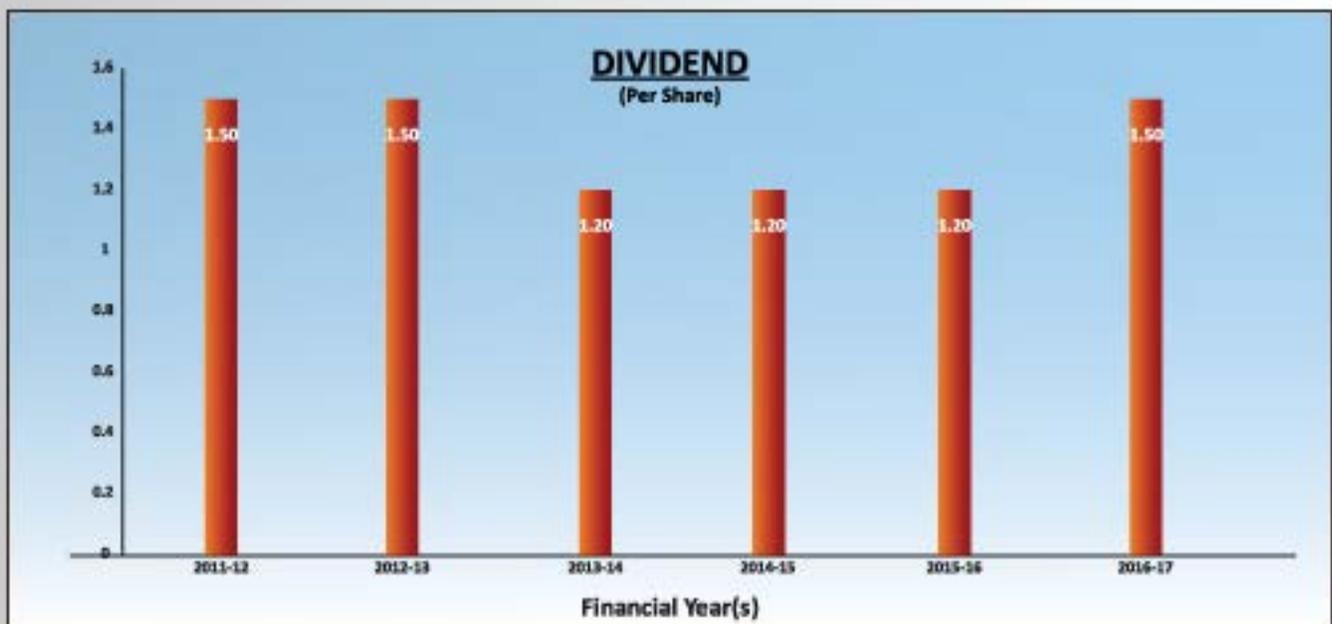
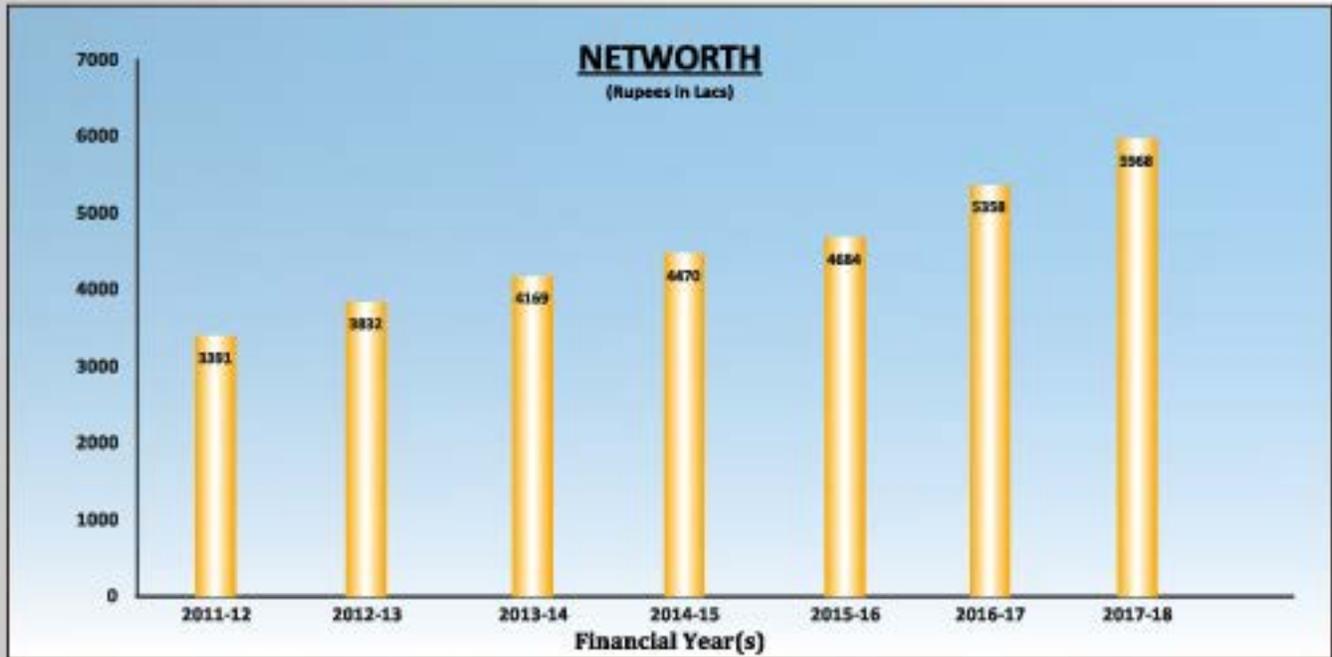
His philanthropic interest were focused mainly on Kidney related diseases and was Founder President of India Renal Foundation.

His contribution to the corporate world and to humanity will be remembered always.

# FINANCIAL HIGHLIGHTS



# FINANCIAL HIGHLIGHTS



**CORPORATE INFORMATION**  
**CIN NO. : L27100GJ1993PLC020552**

**BOARD OF DIRECTORS**

Mr. Ambar J. Patel (DIN 00050042)	Managing Director
Mr. Chinubhai R. Shah (DIN 00558310)	Independent Director (upto 14th May, 2018)
Mr. Shailesh C. Desai (DIN 00169595)	Independent Director
Mr. Jainand G. Vyas (DIN 02656340)	Independent Director
Mr. Nipam R. Shah (DIN 00093697)	Non - Executive Director
Mrs. Monica H. Kanuga (DIN 06919996)	Non - Executive Director

**REGISTERED OFFICE & WORKS**

778/6, Pramukh Industrial Estate,  
 Sola - Santej Road,  
 Village: Rakanpur, Taluka: Kalol,  
 District: Gandhinagar - 382 722, Gujarat, India  
 Ph. No.: 02764 - 286323, 286324, 286866  
 Fax No: 02764 - 286335  
 Website: www.shilpgravures.com  
 Email: admin@shilpgravures.com

**CORPORATE OFFICE :**

101, Shri Kashi Parekh Complex,  
 B/h. Bhagwati Chambers,  
 C.G. Road, Navrangpura,  
 Ahmedabad - 380 009, Gujarat, India

**REGISTRAR & SHARE TRANSFER AGENT :**

**Link Intime (India) Pvt. Ltd.**  
 5th Floor, 506 to 508,  
 Amarnath Business Centre – 1 (ABC -1),  
 Beside Gala Business Centre,  
 Nr. St. Xavier's College Corner,  
 Off C.G. Road, Navrangpura, Ahmedabad -380009  
 Phone: +91-79-26465179  
 Email: ahmedabad@linkintime.co.in

**CHIEF EXECUTIVE OFFICER**

Mr. Roshan H. Shah

**CHIEF TECHNICAL OFFICER**

Mr. Narendra R. Patil

**CHIEF OPERATING OFFICER**

Mr. Atul M. Vinchhi

**CHIEF MARKETING OFFICER**

Mr. Gajanan V. Bhavsar

**CHIEF FINANCIAL OFFICER**

Mr. Amit P. Agrawal

**COMPANY SECRETARY**

Mr. Bharat P. Patel

**AUDITORS :**

Deloitte Haskins & Sells  
 Chartered Accountants  
 19<sup>th</sup> Floor, Shapath-V  
 S. G. Highway,  
 Ahmedabad 380 015

**BANKERS :**

HDFC Bank  
 ICICI Bank  
 Axis Bank  
 Bank of Baroda

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## NOTICE

**NOTICE** is hereby given that, the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the members of **SHILP GRAVURES LIMITED** will be held on **Saturday, the 14<sup>th</sup> day of July, 2018 at 4.00 p.m.** at the Registered Office of the Company at 778/6, Pramukh Industrial Estate, Village Rakanpur, Taluka. Kalol, Dist. Gandhinagar – 382 722 , Gujarat to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Balance Sheet of the Company as at 31<sup>st</sup> March, 2018 and Statement of Profit & Loss for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To declare a Final Dividend on Equity Shares for the Financial Year 2017-18, if any.
3. To appoint a Director in place of Mrs. Monica Kanuga (DIN: 06919996), who retires by rotation and being eligible offers herself for re-appointment.
4. Appointment of Statutory Auditors

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad (Firm Registration No.113742W) be and is hereby appointed as the Statutory Auditors of the Company (in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors) to hold office from the conclusion of the 25<sup>th</sup> Annual General Meeting until the conclusion of the 30<sup>th</sup> Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting held after this Annual General Meeting, on such remuneration as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. **Re-appointment of Mr. Ambar Patel (DIN: 00050042) as Managing Director**

To Consider and, if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT**, pursuant to provisions of Sections 196, 197, 198, and 203 read with Part II, Section II, of Schedule V of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant provisions of Articles of Association of the Company and subject to such consents, permissions, approvals, if any required, from any appropriate authority, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Ambar Patel (DIN: 00050042), as Managing Director of the Company, not liable to retire by rotation during his tenure as Managing Director for a period of three (3) years with effect from July 01, 2018, at such a remuneration including perquisites, on the terms and conditions set out in the explanatory statement annexed to this notice and in the draft agreement submitted to this meeting, with the authority to Board/Nomination and Remuneration Committee to alter/vary the terms and conditions of the said re-appointment including as to remuneration, as it may deem fit but subject however to that the remuneration after alteration/ variation does not exceed the limit prescribed under Section 197 read with Schedule V of the Act.

**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director or Director(s) to give effect to the aforesaid resolution.”

6. **To approve transaction with Related Partie(s) u/s 188 of the Companies Act, 2013**

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

**“RESOLVED THAT**, pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, consent be and is hereby accorded for entering into Related Party Transaction by the Company with effect from 01<sup>st</sup> April, 2018 up to the Maximum per annum amount for the transaction as appended below:

Sr.	Name of Related Party(s)	Relationship	Nature of Transaction	Duration	Amount
1.	Mrs. Monica Kanuga	Non- Executive Director	Rendering of Professional Services	1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019	Rs.7.00/- Lacs (not exceeding)

**RESOLVED FURTHER THAT**, to give effect to this resolution the Board of Directors and/ or any Committee thereof be and is hereby authorised to do all acts, deeds, things, as may be deemed necessary in its absolute discretion.”

**By Order of the Board  
For Shilp Gravures Limited**

Sd/-  
**Bharat Patel**  
Company Secretary

Place: Rakanpur  
Date: 28th April, 2018  
Corporate Identification Number (CIN): L27100GJ1993PLC020552

**NOTES:**

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. As required under Listing Regulations and Secretarial Standard-2 on General Meeting details in respect of directors seeking re-appointment at the AGM, is separately annexed hereto. Directors seeking re-appointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.
3. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY – EIGHT HOURS before the meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by appropriate resolutions/ authority, as applicable.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 7<sup>th</sup> day of July, 2018 to Saturday, 14<sup>th</sup> day of July, 2018 (both days inclusive) for the purpose of Dividend, if declared, at the Annual General Meeting.
6. If the final Dividend as recommended by the Board of Directors is approved at the AGM, will be payable on or after 14<sup>th</sup> Day of July, 2018 as under:
  - a) To all beneficial owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 06<sup>th</sup> July, 2018.
  - b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer request lodged with the Company on or before the close of business hours on 06<sup>th</sup> July, 2018.
7. Following is the name and address of the Registrar & Share Transfer Agents:
 

**Link Intime (India) Private Limited [LIIPL]**  
 5th Floor, 506 to 508,  
 Amarnath Business Centre – 1 (ABC -1),  
 Beside Gala Business Centre,  
 Nr. St. Xavier's College Corner,  
 Off C.G. Road, Navrangpura, Ahmedabad -380009

Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearance Services (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name, Email address, contact numbers, etc. to their Depository Participants (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agents, Link Intime (India) Private Limited (LIIPL), to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to (LIIPL).
8. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or LIIPL for assistance in this regard.
9. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/LIIPL.
12. The Notice of the AGM along with the Annual Report 2017 – 18 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
13. To support "Green Initiative", the members who have not registered their e-mail addresses so far, are requested to register the same with LIIPL/ depositories.
14. Members are requested to bring their copy of the Annual Report and Attendance Slip to the Annual General Meeting.
15. The Ministry of Corporate Affairs (MCA) has vide Notification dated 10<sup>th</sup> May, 2012, issued the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012 mandated the Companies to furnish information regarding unpaid and unclaimed dividend amounts lying with the Companies along with particulars of names, addresses, etc. of investors. In line with the same, your Company has furnished the information on MCA

website as well as on its own website [www.shilpgravures.com](http://www.shilpgravures.com). Members are requested to check the particulars and put up their claim for amount lying unclaimed with the Company or the Registrar and Share Transfer Agent.

16. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

Sr. No	Year	Percentage of Dividend	Date of Declaration	Due date for transfer to the Investor Education and Protection Fund
1	2010-2011 – Final Dividend	12.50%	06-08-2011	05-09-2018
2	2011-2012 – Final Dividend	15.00%	04-08-2012	03-09-2019
3	2012-2013 – Final Dividend	15.00%	14-08-2013	13-09-2020
4	2013-2014 – Final Dividend	12.00%	03-09-2014	02-09-2021
5	2014-2015 – Final Dividend	12.00%	23-09-2015	22-09-2022
6	2015-2016 – Final Dividend	12.00%	23-09-2016	20-09-2023
7	2016-2017 – Final Dividend	15.00%	23-09-2017	21-09-2024

The Shareholders who have not encashed the aforesaid dividends are requested to make their claim to the Secretarial Department of the Company, [cs@shilpgravures.com](mailto:cs@shilpgravures.com), [purvipatel@shilpgravures.com](mailto:purvipatel@shilpgravures.com)

17. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“Rules”), all shares on which dividend has not been claimed for seven consecutive years or have been transferred to IEPF Authority. The Shareholders are requested visit the website of the Company i.e. <http://www.shilpgravures.com> to know the procedure for claiming Shares and Dividends transferred to Investor Education and Protection fund Authority.

18. Route Map showing directions to reach to the venue of the 25<sup>th</sup> AGM is attached to this Annual Report as per the requirement of the Secretarial Standard-2 on “General Meetings” issued by the Institute of Company Secretaries of India.
19. Corporate members intending to send their authorised representatives to attend the Annual General Meeting pursuant to the provisions of Section 113 of Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company.

20. **Voting Process:-**

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue (“remote e-voting”) will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through poll paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**The instructions for shareholders voting electronically are as under:**

- (i) The E-voting period commences on 11<sup>th</sup> July, 2018 (09.00 a.m.) and ends on 13<sup>th</sup> July, 2018 (05.00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the relevant date (Cut-off) of 06<sup>th</sup> July, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on **"SUBMIT"** tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

(xxi) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the relevant date of 06<sup>th</sup> July, 2018.

(xxii) Mrs. Monica Kanuga, Company Secretary in Practice has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxiii) The scrutinizer shall unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and within a period not exceeding three (3) days from the conclusion of the meeting, make a scrutinizer's report of the total votes cast in favour or against, if any, and submit the report to the Chairman of the Company.

(xxiv) The results shall be declared along with the scrutinizer's report on the Company's website [www.shilpgravures.com](http://www.shilpgravures.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchange.

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

**As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 5 and 6 of the accompanying notice:**

### **Item No. 5 – Re-appointment of Mr. Ambar Patel (DIN 00050042) as Managing Director**

At the 22<sup>nd</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2015, the members of the Company had approved the re-appointment and remuneration payable to Mr. Ambar Patel, as Managing Director of the Company for a period of three years w.e.f. 1<sup>st</sup> July, 2015 to 30<sup>th</sup> June, 2018. The present term of Mr. Ambar Patel as Managing Director of the Company expires on 30<sup>th</sup> June, 2018.

In accordance with provisions of Sections 196, 197, 198 and 203 read together with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 28<sup>th</sup> April, 2018, subject to the approval of the Shareholders of the Company, re-appointed Mr. Ambar Patel as Managing Director of the Company for a period of 3 (three) years with effect from 01<sup>st</sup> July, 2018.

Mr. Ambar Patel, is B.E. (Mech.) Diploma in Electric Engineering. He took charge as Managing Director of the Company in the year 1993 and has taken very pro-active efforts in the operations and management of the company since then. He has now more than 35 years of experience in Printing and Gravure Industry. He ventured into the manufacturing business of electronically engraved cylinder. Mr. Ambar Patel is also actively associated with various Professional Bodies, Education, Charitable and other Trusts. Considering Managing Director's rich experience, subject matter expertise and immense contribution, the re-appointment and remuneration of Mr. Ambar Patel as Managing Director of the Company was also approved by the Nomination and Remuneration Committee at its Meeting held on 28<sup>th</sup> April, 2018.

The draft of the Agreement to be entered into by the Company with Mr. Ambar Patel, shall be available on all working days between 11.00 a.m. to 4.00 p.m. and at the venue of Annual General Meeting for inspection by the shareholders of the Company contains *inter-alia* the following principal terms and conditions:

The draft agreement to be entered by the Company with Mr. Ambar Patel, contain *inter-alia*, the following principal terms and conditions:

1.	Period	From 1 <sup>st</sup> July, 2018 to 30 <sup>th</sup> June, 2021
2.	Duties and Power	The Managing Director shall perform the duties and exercise the powers assigned to him or vested in him by the Board of Directors of the Company from time to time.
3.	Remuneration	Mr. Ambar Patel shall be entitled to following remuneration, benefits and perquisites as may be fixed by Board of Directors from time to time, subject to the ceiling limits laid down in Schedule V to the Companies Act, 2013.
	Basic Salary	Rs. 4.45 Lacs, Rs. 5.08 Lacs and Rs. 5.85 Lacs
	Perquisites & Allowances	In addition to the salary and bonus payable, Mr. Ambar Patel shall also be entitled to perquisites and allowances such as House Rent Allowance or furnished accommodation in lieu thereof, Education Allowance, Uniform Allowance, Management Allowance, Leave Travel Allowance, Medical Insurance, Contribution to Provident Fund as per rules of the Company or as may be agreed to by the Board and the appointee. He shall also be entitled to Annual Incentive / Annual Pay after taking in to account financial position of the Company, qualification, experience and past performance.
4.	Minimum Remuneration	The Managing Director shall be paid remuneration by way of salary, perquisites and other allowance, mentioned above as the minimum remuneration, subject to the limits prescribed in the Schedule V to the Companies Act, 2013 or any modification or re-enactment thereof.
5.	Compensation	If before the expiry of the Agreement, the tenure of his office as Managing Director is determined, he shall be entitled to compensation for the loss of office subject to the provisions of Section 202 of the Companies Act, 2013.

### **Other Terms and Conditions:**

- The appointee shall not be liable to retire by rotation.
- No sitting fees shall be paid to the appointee for attending the meetings of the Board of Directors or Committees thereof.
- The agreement may be terminated by either party, giving the other party three months' notice in writing of such termination of the Company paying three months' salary in lieu of the notice.
- The appointee shall be entitled to Silver Jubilee Bonus not exceeding Rs. 75.00/- Lacs (Rupees Seventy Five Lacs) as may be determined by the Nomination and Remuneration Committee and Board of Directors. However, the said ex-gratia payment shall constitute a part of remuneration and shall be within limits prescribed under Schedule V of the Act.

**Information required under Part II, Section II, of Schedule V of the Companies Act, 2013:**

<b>I General Information</b>		
Nature of industry	Industrial Machinery	
Date or expected date of commencement of commercial production	The Company is in operation since the year 1995	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
Financial performance based on given indications - As per the Audited Financial Results for the year ended on 31.03.2018	<b>Particulars</b>	<b>(Rs. in Lacs)</b>
	Revenue from Operations (Net of excise duty)	6763.29
	Other Income	140.10
	<b>Total Revenue</b>	<b>6903.39</b>
	Cost of Material Consumed	1864.17
	Employees benefit expenses	1962.69
	Manufacturing & Other Expense	1468.61
	Depreciation	658.57
	Finance Cost	99.06
	<b>Total Expenditure</b>	<b>6053.10</b>
	Profit after Depreciation & Finance Cost	850.29
	Current Tax	248.08
	Short provisions for tax relation to prior years	(1.17)
	Deferred Tax	(99.88)
	Net Profit after Tax	703.26
Other Comprehensive income	(3.20)	
<b>Total Comprehensive income</b>	<b>700.06</b>	
Foreign investment or collaboration	Not applicable	
<b>II Information about the appointee:</b>		
Background details	Mr. Ambar Patel, is B.E. (Mech.) Diploma in Electric Engineering. He took charge as Managing Director of the Company in the year 1993 and has taken very pro-active efforts in the operations and management of the company since then. He has now more than 35 years of experience in Printing and Gravure Industry. He ventured into the manufacturing business of electronically engraved cylinder. Mr. Ambar Patel is also actively associated with various Professional Bodies, Education, Charitable and other Trusts. Mr. Ambar Patel has been promoter director providing services at the helm of the operations since inception. His educational background and rich industry experience make him an ideal candidate for the position.	
Past remuneration	Remuneration immediately preceding three financial years:	
	Financial Year	Remuneration (Rs. in Lacs)
	2015-16	58.05/-
	2016-17	66.80/-
	2017-18	76.64/-
Job profile and suitability	Mr. Ambar Patel renders services as Managing Director of the Company.	
Remuneration proposed	As mentioned in principle Terms and Conditions of draft agreement	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	In the present challenging business environment, the duties and responsibilities of Mr. Ambar Patel as Managing Director has grown manifold. There is a continuous need for formulation of competitive strategies and periodical review thereof for successful implementation and sustained overall development of the Company, which has necessitated his increased focus and higher involvement in Company's matters. In the times ahead, it is imperative that the Company's growth strategy continues under the continued guidance and leadership of Mr. Ambar Patel with rich experiential background. The Company remains reinforced to strive through	

		the challenging times and on the growth chart. In view of the above, the proposed remuneration package is commensurate to prevailing levels in the industry and thereby is fit and justified for payment. Mr. Ambar Patel is a proven performer of varied attributes and is a perfect combination of technocrat and a leader.		
	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration proposed, Managing Director does not have any pecuniary relationship with the Company.		
<b>III</b>	<b>Other Information</b>			
	Reasons for loss or inadequate profits	The Company is making profit.		
	Steps taken or proposed to be taken for improvement	The Company has strengthened its Balance Sheet by improving working capital management. With the overall improved business scenario and healthy order book position, the Company would grow in the coming years.		
	Expected increase in productivity and profits in measurable terms	<b>Particulars</b>	<b>Current year (Rs. in Lacs)</b>	<b>Previous year (Rs. in Lacs)</b>
		Sales (Net of excise duty)	6763.29	6464.23
		Other Income	140.10	124.06
		Other Comprehensive Income	(3.20)	(9.83)
		<b>Net Profit</b>	<b>700.06</b>	<b>700.93</b>

The Board of Directors recommends the resolution in relation to the re-appointment of Managing Director, for the approval of the shareholders of the Company. Except Mr. Ambar Patel none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this resolution set out at **Item no. 5**, as appended above.

The disclosure under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, is provided at Annexure of this Notice.

#### **Item No. 6 - Transactions with Related Parties u/s 188 of the Companies Act, 2013**

Section 188(1) of the Act read with Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014, *inter alia*, provides that any contract or arrangement with a related party (as defined under the Act) in respect of certain kinds of transactions require prior approval of the shareholders of the company, by way of ordinary resolution. Such transactions include, inter alia, following:

- Sale, purchase of supply of any goods or materials.
- Selling or otherwise disposing of, or buying property of any kind.
- Leasing of property of any kind.
- Availing or rendering of any services
- Appointment of any agent for purchase or sale of goods, materials, services or property.
- Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company: and
- Underwriting the subscription of any securities or derivatives thereof of the Company.

Whereas, Regulation 23(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, requires all Material Related Party Transactions to be approved by the Shareholders. Now, in our case the appended Related Party Transaction(s) does not fall under the criteria of the aforesaid provisions and the amount of transaction is also not significant. However the Company wishes to obtain the approval of shareholders for the sake of abundant caution and good corporate governance.

In the light of provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Members of the Audit Committee and the Board of Directors of your Company have approved the proposed transactions along with annual limits that your Company may enter into with the said Related Party (as defined under the Companies Act, 2013) for the Financial Year 2018-2019.

All prescribed disclosures as required to be given under the provisions of the 2013 Act and the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below for kind perusal of the members.

Sr.	Name of Related Party(s)	Relationship	Nature of Transaction	Duration	Amount
1.	Mrs. Monica Kanuga	Non- Executive Director	Rendering of Professional Services	1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019	Rs.7.00/- lacs (not exceeding)

- Name of the related party and nature of relationship: As provided in the details above.
- Nature, duration of the contract and particulars of the contract or arrangement:

Mrs. Monica Kanuga is a Practicing Company Secretary. She provides professional, advisory services to the Company since over two decades and has also been the Secretarial Auditor under the provisions of the Companies Act, 2013. The Company proposes to continue with her services at such professional fees which do not exceed Rs. 7.00 Lacs per annum.

Members are hereby informed that pursuant to second proviso of Section 188 (1) of the 2013 Act, no member of the Company shall vote on such resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board Meeting held on 28<sup>th</sup> April, 2018 and recommends the Resolution as set out in the accompanying Notice for the approval of the Shareholders as Ordinary Resolution.

None of the directors and key managerial personnel of the Company or their relatives, except Mrs. Monica Kanuga, are any way, concerned or interested, in the resolution set out at **Item No. 6**, as appended above.

## ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:

Name	Mr. Ambar Patel (DIN:00050042)	Mrs. Monica Kanuga (DIN: 06919996)
Date of Appointment	29 <sup>th</sup> October, 1993	26 <sup>th</sup> July, 2014
Date of Birth	20 <sup>th</sup> November, 1953	7 <sup>th</sup> September, 1968
Educational Qualification	B.E. (Mechanical), D.E.E	B. Com., L.L.B. (Special), FCS
Expertise in specific Functional Area	Mr. Ambar Patel has over 35 years of experience in Printing and Gravure Industry. He ventures into the manufacturing business of electronically engraved cylinder under the name and style of "SHILP GRAVURES LIMITED" as a Managing Director of the Company since 1994 and since then he is overall incharge of the Company and responsible for Sales, Marketing and Administration of the Organisation. He is also active member of various organizations such as 'Gujarat Chamber of Commerce and industry' and 'Ahmedabad Management Association'. Mr. Ambar Patel has been promoter director providing services at the helm of the operations since inception.	Mrs. Monica Kanuga is a Fellow member of the ICSI by qualification and has an experience spanning over two decades across the sectors in providing consultation in the fields of Company Law, SEBI laws, Capital Market, Corporate Restructuring and Joint Venture formations. She has also been actively involved with drafting of Funding Agreements for venture or angel investors. At present she runs her own proprietorship firm of Practicing Company Secretaries and is associated with number of business houses in the private sector as well as in the public sector as Corporate Consultant rendering exclusive, qualitative professional services to the clients.
Directorships held in other public Companies(Excluding foreign and private Companies)	CD commodities Broking Limited	Resinova Chemie Limited
Committee Memberships/ Chairmanship in other Public Companies	None	None
Shareholding (no. of shares held as on 31.03.2018)	243910 Equity Shares	None
Disclosure of relationships between director inter-se Directors inter-se	No inter-se relations	None

## BOARD'S REPORT

To  
The Members,  
**SHILP GRAVURES LIMITED**

Your Directors have pleasure in presenting the **25th Annual Report** on the working of the Company together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2018.

### 1. FINANCIAL PERFORMANCE:

The Company has adopted the Indian Accounting Standards ("IND AS") w.e.f. 1<sup>st</sup> April, 2017 with a transition date of 1<sup>st</sup> April, 2016. Accordingly, results for the year ended 31<sup>st</sup> March, 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013. Previous periods figures have been restated as per Ind AS to make them comparable. The summarized financial highlight is depicted below.

(Rs. in Lacs)

Particulars	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
Revenue from Operations (Net of excise duty)	6763.29	6464.23
Other Income	140.10	124.06
<b>Total Revenue</b>	<b>6903.39</b>	<b>6588.29</b>
Operating expenses	5295.47	4908.57
Depreciation and Amortisation expenses	658.57	607.01
Finance Cost	99.06	97.66
<b>Total Expenditure</b>	<b>6053.10</b>	<b>5613.24</b>
<b>Profit before Tax</b>	<b>850.29</b>	<b>975.05</b>
<b>Tax Expense</b>		
Current tax	248.08	290.25
Short provision for tax relating to prior years	(1.17)	(0.32)
Deferred tax	(99.88)	(25.64)
<b>Net Profit for the year</b>	<b>703.26</b>	<b>710.76</b>
Other Comprehensive Income (net of tax)	(3.20)	(9.83)
Total Comprehensive Income	700.06	700.93
<b>Opening Balance of Retaining Earning</b>	<b>3439.27</b>	<b>2852.16</b>
<b>Amount available for appropriation</b>	<b>4139.33</b>	<b>3553.09</b>
<b>Appropriations:</b>		
Transfer to General Reserves	25.00	25.00
Dividend on Equity Shares	92.25	73.80
Tax on Dividend	18.78	15.02
<b>Balance Carried to Balance Sheet</b>	<b>4003.30</b>	<b>3439.27</b>

### 2. REVIEW OF OPERATIONS:

The revenue from operations for the financial year 2017-18 at Rs. 6763.29/- Lacs (net of excise duty) was higher by 4.63% over last year (Rs. 6464.23/- Lacs in financial year 2016-17- net of excise duty). Earnings before interest, tax, depreciation and amortisation ("*EBITDA*") was Rs. 1607.92/- Lacs over EBITDA of Rs. 1679.72/- Lacs in financial year 2016-17. Your Company has sustained its efforts to maintain profit for the year 2017-18. Profit after tax ("*PAT*") for the year was Rs. 700.06/- Lacs over the PAT of Rs. 700.93/- Lacs of financial year 2016-17.

### 3. DIVIDEND:

Based on Company's performance for the financial year 2017-18, the Board of Directors ("the Board") are pleased recommend for approval of the members a final dividend of Rs. 1.50 per share, being 15% (previous year Rs. 1.50 per shares) on the face value of Rs. 10 per share on 6,149,800 Equity Shares of the Company to be appropriated from the profits of the Company for the financial year 2017-18. The final dividend on equity shares, if approved by the members would involve a cash outflow of Rs. 111.21/- Lacs including dividend tax.

### 4. TRANSFER TO RESERVES:

The Company proposes to transfer Rs. 25.00/- Lacs to the general reserve.

### 5. PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 read with rules made thereunder.

### 6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, the Company has not given any loan or provided guarantees or made any investments as prescribed under Section 186 of the Companies Act, 2013.

## 7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed herewith as **Annexure A**.

## 8. CORPORATE GOVERNANCE:

A separate report on Corporate Governance compliance as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report along with the required certificate from a Statutory Auditors regarding compliance of the conditions of Corporate Governance as stipulated. In compliance with Corporate Governance requirements, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto. A certificate of Chief Executive Officer and Chief Financial Officer of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and Cash flow statements is also annexed.

Information required to be disclosed under Clause IV of Part II, Section II of Schedule V is provided in separate section of Corporate Governance Report. No service contracts have been executed with any directors except Mr. Ambar Patel.

## 9. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

A detailed report on Management Discussion and Analysis as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is included as separate section forming part of this Report. Certain statement of the said report may be forward looking. Many factors may affect the actual results, which could be different from what the directors envisage in terms of performance and outlook.

## 10. LISTING OF SHARES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 513709. The Company confirms that the annual listing fees to stock exchanges for the financial year 2018-19 have been paid.

## 11. DIRECTORS & KEY MANAGERIAL PERSONNEL:

### (a) Retirement by Rotation

**Mrs. Monica Kanuga (DIN: 06919996)**

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mrs. Monica Kanuga (DIN: 06919996) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer herself for re-appointment. The Board recommends the appointment of Mrs. Monica Kanuga as Director of the Company retiring by rotation.

### (b) Re-appointment of Mr. Ambar Patel (DIN: 00050042) as Managing Director

The term of office of Mr. Ambar Patel (DIN: 00050042) as Managing Director, of the Company expires on June 30, 2018. The Board of Directors on the recommendation of the Nomination and Remuneration Committee, at their respective meetings held on April 28, 2018, have accorded their approval to re-appoint Mr. Ambar Patel, as Managing Director of the Company, for a further period of three (3) years w.e.f. July 01, 2018, subject to the approval of Members of the Company at ensuing Annual General Meeting. His re-appointment and remuneration is in terms of Section 196, 197, 198 and 203 read with Part II Section II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The detailed terms and conditions including remuneration have been mentioned in the Notice convening 25<sup>th</sup> Annual General Meeting. The Board recommends the appointment of Mr. Ambar Patel as Manager Director of the Company.

### (c) Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the accounting policies have been applied consistently and reasonable and prudent estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2017-2018 and the profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a 'going concern basis';
- the internal financial controls followed by the Company are adequate and has been operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and have been operating effectively.

## 13. MEETINGS OF THE BOARD:

The Board of Directors met 5 (Five) times during the year under review. The details of the Board Meetings and attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Report.

## 14. COMMITTEES OF BOARD:

Details of various committees constituted by the Board of Directors as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

#### 15. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURE:

The Company has no subsidiary, Associate or Joint Venture within the meaning of Section 2(6) of Companies Act, 2013 (“ACT”).

#### 16. WHISTLE BLOWER / VIGIL MECHANISM:

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The details of said policy are available on the website of the Company at <http://www.shilpgravures.com>. During the year under review, there was no case of whistle blower. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and as per the Regulation 22 read with Regulation 4(d) (iv) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

#### 17. CORPORATE SOCIAL RESPONSIBILITY:

Shilp has been proactively carrying out CSR activities in alignment with the vision of the Company. Shilp, through its CSR initiatives, continuous to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as Socially Responsible Corporate, with environmental concern.

In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and Report on CSR activities carried out towards supporting projects in eradication of hunger, promoting education, healthcare during the financial year ended 31<sup>st</sup> March, 2018 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure B**.

#### 18. POLICY ON NOMINATION AND REMUNERATION:

The contents of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report. The Policy may be referred to at the Company’s website at <http://www.shilpgravures.com>.

#### 19. BOARD EVALUATION:

The Board adopted a formal mechanism for evaluating its performance as well as performance of individual Directors, including the Chairman of the Board in compliance with provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### 20. EXTRACT OF THE ANNUAL RETURN:

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT – 9, is annexed herewith as **Annexure C**.

#### 21. RELATED PARTY TRANSACTIONS:

All related party transactions entered into during the financial year were on arm’s length basis and were in the ordinary course of business and in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Hence, there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014. The Audit Committee reviews all related party transactions quarterly. The Policy on Related Party Transactions of the Company is available on the Company’s website at <http://www.shilpgravures.com>

#### 22. INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements are adequate, and commensurate with the size, scale and complexity of its operation. The internal controls are tested for adequacy, efficiency and effectiveness through audits by internal auditors and the observations, corrective and preventive actions are reviewed by the management and Audit Committee of the Board of Directors. The internal auditor’s team carries out extensive audits throughout the year across all locations and across all functional areas and submits its reports to the Audit Committee of the Board of Directors, which reviews and approves annual internal audit plan. Audit Committee periodically reviews the performance of internal audit function.

During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

#### 23. INDIAN ACCOUNTING STANDARDS:

Your Company has adopted Indian Accounting Standards (*Ind AS*) with effect from April 1, 2017 with a transition period of 1<sup>st</sup> April, 2016 pursuant to Ministry of Corporate Affairs notification dated February 16, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. The implementation of “IND AS” in 2017 will be a major change process and the Company is well positioned to ensure a smooth transition.

#### 24. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

#### 25. TRANSFER OF UNCLAIMED EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) SUSPENSE ACCOUNT:

MCA vide Notification dated September 5, 2016, brought the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’), *w.e.f.* September 7, 2016. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven (7) consecutive years or more, shall be transferred to an Investor Education and Protection Fund (‘IEPF’) suspense account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. Accordingly, in compliance with the provisions of said section and rules and

the Company had initiated the process and issued individual notices/reminders to the 414 shareholders holding 51887 equity shares, who have not claimed their dividends for the last seven (7) consecutive years. Thereafter, said shares had been transferred to Investor Education and Protection Fund Suspense Account “(IEPF Suspense Account)”. The Statement containing details of Name, Address, Folio No., Demat Account No. and No. of shares transferred to IEPF Suspense Account is made available on Company’s website at <http://www.shilpgravures.com>.

#### 26. EQUAL OPPORTUNITY EMPLOYER:

The Company has always provided a congenial atmosphere for work to all employees that is free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, colour, marital status and sex. The Company has also framed a Policy on “Prevention of Sexual Harassment” at the workplace. There were no cases reported under the said Policy during the year.

#### 27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as **Annexure-D**.

#### 28. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### 29. AUDITORS:

##### (a) Statutory Auditors:

As per provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of Deloitte Haskins & Sells (ICAI firm Registration Number 117365W), Chartered Accountants, Ahmedabad as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting (AGM) of the Company.

The Board of Directors of the Company at its meeting held on February 03, 2018, on the recommendation of the Audit Committee, has made its recommendation for appointment of M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad (Firm Registration No.113742W) as the Statutory Auditors of the Company for a term of five consecutive years, from the conclusion of 25<sup>th</sup> AGM of the Company till the conclusion of 30<sup>th</sup> AGM (subject to ratification of their appointment at every AGM) for approval of shareholders of the Company. The Company has received a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. The notes on the financial statement referred to in the Auditor’s Report are self-explanatory and do not call for any further comments.

The Audit Committee and the Board of Directors wishes to place on record their deep appreciation for the professional services rendered by M/s. Deloitte Haskins & Sells, during their long association with the Company while maintaining the ethical standards and zenithal level of governance.

##### (b) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, your Company had appointed Mrs. Monica Kanuga, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for financial year 2017-18 is annexed which forms part of this report as **Annexure-E**. The remark of auditor will be adequately addressed.

##### (c) Internal Auditors:

The Board of Directors appointed M/s. KJP & Associates LLP, Chartered Accountants, as Internal Auditors of the Company for the F. Y. 2017-18.

#### 30. INSURANCE:

All the insurable interests of the Company including Inventories, Buildings, Plant & Machinery and Liabilities under legislative enactments are adequately insured.

#### 31. ACKNOWLEDGMENTS:

The Company has maintained healthy, cordial and harmonious relations at all levels throughout the year. We thank our customers, vendors, investors, bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

The Directors also take this opportunity to thank all Auditors, Bankers, Consultants, Investors, Clients, Government and Regulatory Authorities and Stock Exchanges, for their continued support during the year and look forward to their continued support in the future.

**On the behalf of The Board of Directors**

**Ambar Patel**  
(Managing Director)

**Shailesh Desai**  
(Director)

**Place: Rakanpur**

**Date: 28th April, 2018**

## Annexure - A

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year ended 31<sup>st</sup> March, 2018:

### (A) Conservation of Energy

(i) The steps taken or impact on **Conservation of Energy** :

A.	Replacement of Conventional 40 Watts Lighting Fixtures By LED Fixtures in following Areas and the saving observed was as follows:	
i.	<b>Laser Area</b> (36Wx2)X8Nos Tube Lamp Replaced by (24WX2) LED Lamps	
	Total Saving / Day	576 Watts / Day
	Total saving for 300 Days	<b>576 x 300 = 172.8 Kwh Units</b> <b>172.8 * 7.5 = Rs.1296/-</b>
ii	<b>Fabrication Area</b> (36X2) Fixtures Replaced by 50W LED High Bay Fixture (10Nos)	
	Total Saving / Day (20Hours / Day)	220Watts / Hour, 4.4 Kwh / Day
	Total saving for 300 Days	<b>4.4 x 300 = 1320 Kwh Units</b> <b>1320 x 7.5 = Rs. 9900</b>
iii	<b>Various Areas</b> 36 Watts fixtures replaced by 9W (GEB) LED Lamps. Total 30 Nos.	
	Total Saving / Day	810 Units * 20Hrs =16.22Kwh/Day
	Total saving for 300 Days	<b>4866Kwh Units * 7.5</b> <b>Rs. 36495</b>
iv	<b>Flexo+Area New LED Lamps are Installed instaed of 40Watts Conventional TL</b>	
	Total Saving / Day	5Kwh Units/ Day
	Total Saving for 300 Days	<b>5*300= 1500KWh</b> <b>1500*7.5= Rs.11250</b>
	Total Kwh Units Saved (i+ii+iii+iv)	<b>172.8+1320+4866+1500=7858.8</b>
	<b>Total saving @ Rs. 7.5 per Kwh</b>	<b>Rs.58941</b>

(ii) The steps taken by the Company for utilizing alternate sources of energy: None

(iii) The capital investment on energy conservation equipment: None

(iv) Total energy consumption during the year:-

Particulars	Current Year			Previous Year			
	Period	April 2017 to March 2018			April 2016 to March 2017		
		Units (KWH)	Amt. in Rs.	Rs. Per Unit	Units (KWH)	Amt. in Rs.	Rs. Per Unit
<b>(a) Electricity</b>							
Purchased	50,30,290	3,71,17,767	<b>7.38</b>	4712000	3,42,41,014	Rs.7.26 Per Unit	
Own Generation (Wind Turbine Gen.)	3196503	2,22,12,976	<b>6.94</b>	36,62,768	2,36,54,767	Rs. 6.45per Unit	
<b>(b) DG Sets Units Gen.</b>	56,840	1518646	<b>2.35</b> <b>Units/Ltrs.</b>	49,540	13,72,708	Rs.2.17 Units	

\*Note: F.Y.2017-18- 56840 Units Generated at the Cost of Rs. 1518646 (24200 Ltrs Diesel Consumed)

F.Y.2016-17- 49540 Units Generated at the Cost of Rs. 1372708 (22800 Ltrs Diesel Consumed)

The Company continues to give due priority to conservation of energy on continuous basis.

### (B) Technology Absorption

(i) The efforts made towards technology absorption: None

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: None

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): None

(iv) The expenditure incurred on Research and Development: During the year under review, no new specific Research & Development activities were carried out.

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars regarding Foreign Exchange Earnings and Outgo appear in Note 44 & 45 in the Notes to Financial Statements.

**On the behalf of The Board of Directors**

**Ambar Patel**  
**(Managing Director)**

**Shailesh Desai**  
**(Director)**

Place: Rakanpur

Date: 28th April, 2018

## Annexure – B

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017 - 2018

**1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society. Corporate Social Responsibility (CSR) is a part of our overall sustainability, encompassing social, economic and environmental actions.

The Company's CSR Policy provides for carrying out the CSR activities in the areas of Education, Environment, Health Care & Welfare, Rural Development, Social and Women Empowerment, Sports & Culture / Heritage, Infrastructure and various other social matters by way of donation to a reliable and respectable corpus, trust, society or institution or organisation.

During the year, the Company has contributed to various organisations like Dardi Nu Rahat Fund, Servavidhayala Kelvani Mandal, India Renal Foundation, Help Age India and many more for the purpose of carrying our CSR activities.

There are a few broad categories of social responsibility that the Company is practicing:

- 1. Health care and Welfare efforts:** One primary focus of corporate social responsibility is the Health care and Welfare of the local populace.
- 2. Philanthropy:** The Company practices social responsibility by donating to local trusts, institutions and NGOs. The motive behind such charity is to serve the society at large.
- 3. Volunteering:** Attending volunteer events says a lot about a company's sincerity. By doing good deeds without expecting anything in return, company is able to express their concern and support for the well-being.

The main focus of the Company is on "Preventive Healthcare". Preventive healthcare is an important dimension of health that needs significant attention and investment from all sections of the society. It is a national health priority and a notified area under Schedule VII of the CSR Section 135 of the Companies Act. Preventive healthcare directly improves health, well-being and productivity of community/population, families and individuals, and promotes equity by benefiting most the disadvantaged and marginalized groups. It covers range of public health activities focused on prevention of diseases, promotion of good health and strengthening of health systems. This directly and indirectly improves the health of fellow citizens, especially the socially and economically relegated groups.

The Policy on CSR as approved by the Board is available on the Company's website <http://www.shilpgravures.com>.

**2. The Composition of CSR Committee:**

Mr. Nipam Shah	-	Chairman
Mr. Ambar Patel	-	Member
Mr. Shailesh Desai	-	Member

**3. Average Net Profit of the Company for last three Financial Years:**

Rs. 871.58/- Lacs

**4. Prescribed CSR Expenditure (2% of the amount mentioned in 3 above):**

Rs. 17.43/- Lacs

**5. Details of CSR spent during the Financial Year:**

- (a) Total amount spent for the Financial Year: Rs. 21.11/- Lacs
- (b) Amount Unspent, if any: Nil
- (c) Manner in which the amount spent during the Financial Year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where the projects or programs were undertaken	Amount outlay (budget) project or programs wise (Rs. in Lacs)	Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads (Rs. in Lacs)	Cumulative expenditure up to the reporting period (Rs. in Lacs)	Amount spent: Direct or through implementing agency
1.	Dardionu Rahat Fund	Healthcare	Ahmedabad, Gujarat	3.00	3.00	3.00	Through Implementing Agency
2.	Sarva Vidyalaya Kelavani Mandal	Education	Kadi, Mehsana Gujarat	15.00	15.00	15.00	
3.	India Renal Foundation	Healthcare	Ahmedabad, Gujarat	2.00	2.00	2.00	
4.	Shree Jivdaya Mungapashu Manav Seva Trust	Medical & Social Welfare Association	Ahmedabad, Gujarat	0.11	0.11	0.11	
5.	GCCI Silver Jubilee Charitable Trust	Charitable trust	Ahmedabad, Gujarat	1.00	1.00	1.00	

**6. In case of Company has failed to spend the 2%, of the average net profit of the last three Financial Year or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable**

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR activities and Policy of the Company: *Duly Complied***

Sd/-  
**Mr. Ambar Patel**  
Managing Director

Sd/-  
**Mr. Nipam Shah**  
Chairman – CSR Committee

## ANNEXURE – C

Form MGT – 9

### EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2018

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

#### I. REGISTRATION AND OTHER DETAILS

1. CIN	:	L27100GJ1993PLC020552
2. Registration Date	:	29 <sup>th</sup> October, 1993
3. Name of the Company	:	Shilp Gravures Limited
4. Category / Sub-Category of the Company	:	Company limited by shares
5. Address of the Registered office and contact details	:	778/6, Pramukh Industrial Estate, Sola – Santej Road, Village: Rakanpur, Tal. Kalol, Dist. Gandhinagar – 382 722
6. Whether Listed Company	:	Yes
7. Name, Address and Contact details of Registrar	:	Link Intime (India) Pvt. Ltd. 5th Floor, 506 to 508, Amarnath Business Centre - 1 (ABC -1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C.G. Road, Navrangpura, Ahmedabad -380009

#### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the Business activities contributing 10% or more of the total Turnover of the Company shall be stated:

Sr. No.	Name and description of main products/ services	NIC Code of the Product / Service	% of total turnover of the Company
1	Engraved Copper Rollers	18122	94.12%
2	Printing Plates	18122	5.88%
	Total		100.00%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary /Associate Co.	Applicable Section
Not Applicable				

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the Beginning of the year 2017				No. of Shares held at the end of the year 2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
i) Individual / HUF	1951635	-	1951635	31.73	1951635	-	1951635	31.73	-
ii) Central Govt.	-	-	-	-	-	-	-	-	-
iii) State Govt. (s)	-	-	-	-	-	-	-	-	-
iv) Bodies Corporate	-	-	-	-	-	-	-	-	-
v) Banks / FI(s)	-	-	-	-	-	-	-	-	-
vi) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>1951635</b>	<b>-</b>	<b>1951635</b>	<b>31.73</b>	<b>1951635</b>	<b>-</b>	<b>1951635</b>	<b>31.73</b>	<b>-</b>
<b>(2) Foreign</b>									
i) NRIs –Individuals	1770440	-	1770440	28.79	1770440	-	1770440	28.79	-
ii) Other –Individuals	-	-	-	-	-	-	-	-	-
iii) Bodies Corporate	-	-	-	-	-	-	-	-	-
iv) Banks/ FI(s)	-	-	-	-	-	-	-	-	-
v) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>1770440</b>	<b>-</b>	<b>1770440</b>	<b>28.79</b>	<b>1770440</b>	<b>-</b>	<b>1770440</b>	<b>28.79</b>	<b>-</b>
<b>TOTAL Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>3722075</b>	<b>-</b>	<b>3722075</b>	<b>60.52</b>	<b>3722075</b>	<b>-</b>	<b>3722075</b>	<b>60.52</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the Beginning of the year 2017				No. of Shares held at the end of the year 2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
i) Mutual Funds	-	-	-	-	-	-	-	-	-
ii) Banks / FI(s)	-	-	-	-	-	-	-	-	-
iii) Central Govt. (IEPF)	-	-	-	-	51887	-	51887	0.84	0.84
iv) State Govt. (s)	-	-	-	-	-	-	-	-	-
v) Venture Capital Funds	-	-	-	-	-	-	-	-	-
vi) Insurance Companies	-	-	-	-	-	-	-	-	-
vii) FIIs -	-	-	-	-	-	-	-	-	-
viii) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
ix) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub – Total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51887</b>	<b>-</b>	<b>51887</b>	<b>-</b>	<b>0.84</b>
<b>2. Non – Institutions</b>									
i) Bodies Corporate									
a) Indian	95300	-	95300	1.55	161989	-	161989	2.63	1.08
b) Overseas	-	-	-	-	-	-	-	-	-
ii) Individuals									
a) Individual shareholders holding nominal share capital upto Rs. 1 Lacs	1231703	291800	1523503	24.77	1287095	229500	1516595	24.66	(0.11)
b) Individual shareholders holding nominal share capital in excess of Rs. 1 Lacs	383163	-	383163	6.23	253356	-	253356	4.12	(2.11)
c) Others (specify)									
NRI (Repatriation)	31958	222400	254358	4.14	56519	222400	278919	4.53	0.39
NRI (Non- Repatriation)	4547	-	4547	0.07	10262	-	10262	0.16	0.09
Directors & their Relatives & Friends	45753	-	45753	0.75	46953	-	46953	0.76	0.10
Shares in transit	-	-	-	-	-	-	-	-	-
Others	121101	-	121101	1.96	107764	-	107764	1.75	(0.15)
<b>Sub – Total (B) (2)</b>	<b>1913525</b>	<b>514200</b>	<b>2427725</b>	<b>39.48</b>	<b>1923938</b>	<b>451900</b>	<b>2427725</b>	<b>39.48</b>	<b>-</b>
<b>TOTAL Shareholding of Public (B) = (B) (1) + (B) (2)</b>	<b>1930187</b>	<b>519900</b>	<b>2450087</b>	<b>39.84</b>	<b>1975825</b>	<b>451900</b>	<b>2427725</b>	<b>39.48</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A + B + C)</b>	<b>5635600</b>	<b>514200</b>	<b>6149800</b>	<b>100.00</b>	<b>5697900</b>	<b>451900</b>	<b>6149800</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

### Details of shareholding of Promoters and Promoter's group

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year 2017			Shareholding at the end of the year 2018			% change during the year
		No. of Shares	% of Total Shares of the Company	% of Total Shares pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Total Shares pledged/encumbered to total shares	
1.	Patel Vithaldas Hemdas	765756	12.45	0.00	765756	12.45	0.00	0.00
2.	Hiraben Vithaldas Patel	584314	9.50	0.00	584314	9.50	0.00	0.00
3.	Hiraben Vithaldas Patel / Vithaldas Hemdas Patel	396224	6.44	0.00	396224	6.44	0.00	0.00
4.	Roshan Harshvadan Shah / Aarti Roshan Shah	313404	5.10	0.00	313404	5.10	0.00	0.00
5.	Atul Manilal Vinchhi / Renuka A. Vinchhi	289364	4.71	0.00	289364	4.71	0.00	0.00
6.	Ambar Jayantilal Patel / Amita A. Patel	243910	3.97	0.00	243910	3.97	0.00	0.00
7.	Narendra Ramkrishna Patil / Chhaya N. Patil	182500	2.97	0.00	182500	2.97	0.00	0.00
8.	Gajanan Vamanrao Bhavsar / Sangita G. Bhavsar	180700	2.94	0.00	180700	2.94	0.00	0.00
9.	Gajanan Vamanrao Bhavsar	128710	2.09	0.00	128710	2.09	0.00	0.00
10.	Amita Ambarbhai Patel / Ambar J. Patel	84490	1.37	0.00	84490	1.37	0.00	0.00
11.	Chhaya Narendra Patil / Narendra R. Patil	75000	1.22	0.00	75000	1.22	0.00	0.00
12.	Renuka Atul Vinchhi / Atul M. Vinchhi	73182	1.19	0.00	73182	1.19	0.00	0.00
13.	Siddharth Narendra Patil	54200	0.88	0.00	54200	0.88	0.00	0.00
14.	Deval Ambarbhai Patel / Amita Ambar Patel	53981	0.88	0.00	53981	0.88	0.00	0.00
15.	Siddharth Narendra Patil	51500	0.84	0.00	51500	0.84	0.00	0.00
16.	Narendra R. Patil (HUF)	46300	0.75	0.00	46300	0.75	0.00	0.00
17.	Priyank Gajanan Bhavsar	36455	0.59	0.00	36455	0.59	0.00	0.00
18.	Rachit Gajanan Bhavsar / Gajanan V. Bhavsar	26502	0.43	0.00	26502	0.43	0.00	0.00
19.	Patel Vithaldas Hemdas/ Hiraben Vithaldas Patel	24146	0.39	0.00	24146	0.39	0.00	0.00
20.	Neil Roshan Shah / Roshan Harshvadan Shah	22981	0.37	0.00	22981	0.37	0.00	0.00
21.	Sangita Gajanan Bhavsar / Gajanan V. Bhavsar	21671	0.35	0.00	21671	0.35	0.00	0.00
22.	Sangita Gajanan Bhavsar / Gajanan V. Bhavsar	16900	0.27	0.00	16900	0.27	0.00	0.00
23.	Sundeep Harshvadan Shah / Shefali Sundeep Shah	13400	0.22	0.00	13400	0.22	0.00	0.00
24.	Aarti Roshan Shah	11155	0.18	0.00	11155	0.18	0.00	0.00
25.	Kumudben H. Shah / Sundeep H. Shah	7000	0.11	0.00	7000	0.11	0.00	0.00
26.	Satish V. Patil	6200	0.10	0.00	6200	0.10	0.00	0.00
27.	Hemal Ambar Patel / Ambar Jayantilal Patel	2501	0.04	0.00	2501	0.04	0.00	0.00
28.	Bhanumatiben Jayantilal Patel / Ambar J. Patel	2309	0.04	0.00	2309	0.04	0.00	0.00
29.	Ravindra Ramkrishna Patil / Sunanda R. Patil	1500	0.02	0.00	1500	0.02	0.00	0.00
30.	Sumit Patil	1000	0.02	0.00	1000	0.02	0.00	0.00
31.	Amisha Jayprakash Patel / Jayprakash Patel	925	0.02	0.00	925	0.02	0.00	0.00
32.	Ambar Jayantilal Patel (HUF)	901	0.01	0.00	901	0.01	0.00	0.00
33.	Sangita Gajanan Bhavsar	870	0.01	0.00	870	0.01	0.00	0.00
34.	Jayprakash Gordhandas Patel / Ulca Jayprakash Patel	675	0.01	0.00	675	0.01	0.00	0.00
35.	Anal Jayprakash Patel / Ulca Jayprakash Patel	650	0.01	0.00	650	0.01	0.00	0.00
36.	Ulca Jayprakash Patel	500	0.01	0.00	500	0.01	0.00	0.00
37.	Aditya Jayprakash Patel / Jayprakash Patel	299	0.00	0.00	299	0.00	0.00	0.00

## iii) Change in Promoters' Shareholding

Sr. No.	Name of the Shareholder	Shareholding at the Beginning of the year 2017		Cumulative Shareholding during the year 2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>No change during the year</b>					
1.	At the beginning of the year	3722075	60.52	3722075	60.52
	Acquired from market	-	-	-	-
	At the end of the year	-	-	-	-

iv) Shareholding pattern of top ten shareholders (other than Directors/ promoters and holders of GDRs and ADRs)

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the Beginning of the year 2017		Change in Shareholding (No of Shares)		Shareholding at the end of the year 2018	
		No. of Shares	% of total shares Capital of the Company	Decrease	Increase	No. of Shares	% of total shares Capital of the Company
1	Saraswatiben Dahyabhai Patel	86298	1.40	-	-	86298	1.40
2	Anil Kumar Goel	68500	1.11	8500	-	60000	0.97
3	IEPF - Ministry Of Corporate Affairs	-	-	-	51887	51887	0.84
4	Pravin Kantilal Shah	46700	0.46	-	-	46700	0.75
5	Naresh Umedlal Shah	64324	1.04	20111	-	44113	0.71
6	Seema Goel	90000	1.46	51555	-	38445	0.62
7	Sunil M. Porecha	31200	0.51	-	-	31200	0.50
8	Babubhai Ishwarlal Patel	31100	0.51	-	-	31100	0.50
9	Mili Consultants & Investment Pvt. Ltd.	25718	0.42	1220	-	24498	0.39
10	Vishnubhai Baldevdas Patel	21000	0.34	-	-	21000	0.34

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the Beginning of the year 2017		Cumulative Shareholding during the year 2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1.</b>	<b>Ambar Jayantilal Patel</b>				
	At the beginning of the year	243910	3.97	243910	3.97
	Change during the year	-	-	-	-
	At the end of the year	-	-	243910	3.97
<b>2.</b>	<b>Roshan Harshvadan Shah</b>				
	At the beginning of the year	313404	5.10	313404	5.10
	Change during the year	-	-	-	-
	At the end of the year	-	-	313404	5.10
<b>3.</b>	<b>Shailesh Chimanlal Desai</b>				
	At the beginning of the year	1500	0.01	1500	0.01
	Change during the year	-	-	-	-
	At the end of the year	-	-	1500	0.01
<b>4.</b>	<b>Jainand Gajanand Vyas</b>				
	At the beginning of the year	1000	0.01	1000	0.01
	Change during the year (acquired)	-	-	1200	0.02
	At the end of the year	-	-	2200	0.03

The following Directors / Key Managerial Personnel (KMP) did not hold any shares during the year:

Mrs. Monica Kanuga

Mr. Chinubhai Shah

Mr. Nipam Shah

Mr. Amit Agrawal – KMP

Mr. Bharat Patel – KMP

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs in Lacs)

	Secured Loans excluding deposits		Unsecured Loans		Deposits	Total Indebtedness
	Long Term	Short Term	Long Term	Short Term		
<b>Indebtedness at the beginning of the financial year</b>						
i) Principal Amount	138.36	644.77	0.00	0.00	0.00	783.13
ii) Interest due but not paid	0.00	0.00	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ( i + ii + iii)</b>	<b>138.36</b>	<b>644.77</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>783.13</b>
<b>Change in Indebtedness during the financial year</b>						
Addition	583.11	-	-	-	-	583.11
Reduction	66.63	239.82	-	-	-	306.45
<b>Net Change</b>	<b>516.48</b>	<b>239.82</b>				<b>276.66</b>
<b>Indebtedness at the end of the financial year</b>						
i) Principal Amount	654.84	404.95				1059.79
ii) Interest due but not paid	-		-	-	-	-
iii) Interest accrued but not due	-					
<b>TOTAL ( i + ii + iii)</b>	<b>654.84</b>	<b>404.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1059.79</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director/ Whole – Time Directors and / or Manager (Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD/ Manager		Total Amount
		Mr. Ambar Patel ( Managing Director)		
1	<b>Gross Salary</b>			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		70.66	<b>70.66</b>
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		0.63	<b>0.63</b>
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		-	-
2.	Stock Option		-	-
3.	Sweat Equity		-	-
4.	Commission		-	-
	- As % of profit		-	-
	- Others, specify		-	-
5.	Others, please specify		-	-
	TOTAL (A)		71.29	<b>71.29</b>
	<b>Ceiling as per Act *</b>			

- The period for the payment of remuneration to the Directors is 1st July to 30th June, while the period for disclosure of the remuneration paid is 1st April to 31st March; hence the figures are derived proportionately.
- The remuneration paid to the Managing Director for the year 2017-18 is under the ceiling as approved by the shareholders at the 22nd Annual General Meeting of Company held on 23rd September, 2015.
- The above stated figures for remuneration are extracted from Form 16 of the individual Managerial Personnel and Key Managerial Personnel for the F.Y. 2017-18. Whereas the figures for the managerial remuneration in Corporate Governance Report are prepared on the basis of accrual accounting principle and hence are not comparable.

B. Remuneration to other Directors (Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Chinubhai Shah	Shailesh Desai	Jainand Vyas		
1	Independent Directors					
	- Fees for attending Board and Committee Meetings	1.75	1.55	1.35		<b>4.65</b>
	- Commission	-	-	-		
	- Others, please Specify	-	-	-		
	<b>TOTAL (1)</b>	<b>1.75</b>	<b>1.55</b>	<b>1.35</b>		<b>4.65</b>
2.	Other Non – Executive Directors				Nipam Shah Monica Kanuga	
	- Fees for attending Board and Committee Meetings	-	-	-	1.15 0.95	2.10
	- Commission	-	-	-	-	
	- Others, please Specify ( <i>Consultancy fees</i> )	-	-	-	8.04 3.27	11.31
	<b>TOTAL (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.19</b> <b>4.22</b>	<b>13.41</b>
	<b>TOTAL B = (1) + (2)</b>	<b>1.75</b>	<b>1.55</b>	<b>1.35</b>	<b>9.19</b> <b>4.22</b>	<b>18.06</b>
	<b>TOTAL Managerial Remuneration</b>					
	Overall ceiling as per the Act	-	-	-	-	-

- Fees have been paid to the Other Non-Executive Directors for the professional services availed from them during the year.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD**
**(Rs. in Lacs)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Chief Executive Officer	Chief Financial Officer	TOTAL
1	Gross Salary	Mr. Bharat Patel	Mr. Roshan Shah	Mr. Amit Agrawal	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5.40	68.33	9.92	83.65
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.63		0.63
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-			-
2.	Stock Option	-			-
3.	Sweat Equity	-			-
4.	Commission				
	- As % of profit	-			-
	- Others, specify	-			-
5.	Others	-	-	-	-
	<b>TOTAL</b>	<b>5.40</b>	<b>68.96</b>	<b>9.92</b>	<b>84.28</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. Other Officers in Defaults</b>					
Penalty			None		
Punishment					
Compounding					

## ANNEXURE – D

Information required under the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

- Ratio of the Remuneration of each Director to the median remuneration of the employees of the Company for the financial year

Name of Director	:	Ratio to employees
Mr. Ambar Patel	:	1 : 0.0435

- Percentage increase in the Remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name of the KMP	:	% increase
Mr. Ambar Patel – Managing Director	:	10.00%
Mr. Roshan Shah –Chief Executive Officer	:	10.00%
Mr. Amit Agrawal – Chief Financial Officer	:	15.00%
Mr. Bharat Patel – Company Secretary *	:	Not Applicable
* appointed as a Company Secretary with effect from 20 <sup>th</sup> March, 2017		
Percentage increase in the median remuneration of the employees in the financial year	:	9.12%
No. of permanent employees on the rolls of the Company	:	253 employees
Average percentile increase already made in the salaries of the employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	:	13.34%(Non-Managerial Personnel) 10.24%(Managerial Personnel)

We affirm that the remuneration paid to the Managerial and Non-Managerial Personnel is as per the remuneration policy of the Company

- The name of the top 10 employees in terms of remuneration drawn during the year

Sr. No.	Name of the Employee	:	Remuneration drawn (Rs. in Lacs)
1.	Mr. Ambar Patel	:	76.64
2.	Mr. Roshan Shah/Mr. Atul Vinchhi / Mr. Gajanan Bhavsar / Mr. Narendra Patil	:	75.75
3.	Mrs. Garima Pandey	:	17.96
4.	Mr. Tarun Patel	:	16.75
5.	Mr. Hasit Shah	:	16.00
6.	Mr. Pankaj Shah	:	13.20
7.	Mr. Sumit Patil	:	12.20
8.	Mr. Amit Agrawal	:	12.19
9.	Mr. Ramesh Patil	:	11.80
10.	Mr. Rajandra Adalja	:	11.00

On the behalf of The Board of Directors

**Ambar Patel**  
(Managing Director)

**Shailesh Desai**  
(Director)

Place: Rakanpur

Date: 28th April, 2018

## ANNEXURE – E

FORM No. MR - 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

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

To,  
The Members,  
Shilp Gravures Limited  
778/6, Pramukh Industrial Estate,  
Sola-Santaj Road,  
Village: Rakanpur, Taluka : Kalol,  
District : Gandhinagar - 382 722

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shilp Gravures Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) No specific laws are applicable to the industry in which the Company operates. The same has also been confirmed by the Management.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review the Company has generally complied with the applicable provisions of the Act, Rules Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below:

- (i) The quorum of the Audit Committee is short of one Independent Director.
- (ii) Delay in issue of duplicate Share Certificates in three instances only.

#### I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meeting.

All decisions at the meeting of the Board of Directors / Committees of the Board were taken unanimously as recorded in the minutes of the meetings and no dissenting views have been recorded.

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

**I further report that** during the audit period, there was no other event / action having major bearing on the Company's Affairs.

Place : Ahmedabad  
Date : 28<sup>th</sup> April, 2018

Signature :  
Name of PCS : Monica Kanuga  
FCS No. : 3868  
C P No. : 2125

To,  
The Members,  
Shilp Gravures Limited  
778/6, Pramukh Industrial Estate,  
Sola-Santaj Road,  
Village: Rakanpur, Taluka : Kalol,  
District : Gandhinagar - 382 722

My report of even date is to be read along with this letter:

### 1. Management's Responsibility

Management is responsible for the maintenance of the Secretarial records and for the preparation and filing of forms, returns, documents for compliances and to ensure that they are free from material non compliance, whether due to fraud or error.

### 2. Secretarial Auditor's Responsibility

Secretarial Audit is a process of verification of records and documents on sample or test basis. My responsibility is to express an opinion on the secretarial compliances of certain laws by the Company on the basis of my audit. The audit practices and processes have been followed as deemed appropriate to provide reasonable assurance about the correctness of the records and the confirmation of compliance. My audit process has involved verification of records and dependence on Management representation and my opinion is based thereupon.

### 3. Conduct of Company's Affairs

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad  
Date : 28<sup>th</sup> April, 2018

Signature :  
Name of PCS : Monica Kanuga  
FCS No. : 3868  
C P No. : 2125

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Shilp's culture and ethos.

The Company has a strong legacy of fair, transparent and ethical governance practices. Shilp, while striving to achieve financial targets, seeks to follow the business principles and ethics in all its dealings and believes in customer orientation, teamwork, commitment, growth and trust as its corporate values. The Board of Directors strives to represent the shareholders' interest to ensure optimal returns. At the same time, it is also responsible to all the other stakeholders including customers, employees, suppliers and to the communities where it operates.

The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

### 2. BOARD OF DIRECTORS:

#### i) Composition of Board

The composition of the Board is in conformity with Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with Section 149 of the Act, as on 31<sup>st</sup> March, 2018. The Board of Directors consist of 1 Promoter Executive Director, 2 Professional Non-Executive Directors and 3 Independent Non- Executive Directors. As on 31<sup>st</sup> March, 2018 and on the date of this report, the Board meets the requirement of having at least one woman director and not less than 50% of the Board strength comprising of Non-Executive Directors.

#### ii) Number of Board Meetings held and the dates of the Board Meetings

Five (5) Board Meetings were held during the year ended 31<sup>st</sup> March, 2018 on 29<sup>th</sup> April, 2017, 03<sup>rd</sup> June, 2017, 22<sup>nd</sup> July, 2017, 04<sup>th</sup> November, 2017 and 03<sup>rd</sup> February, 2018. The maximum time gap between 2 Board meetings was not exceeding 120 days. The necessary quorum was present for all the meetings.

#### iii) Details of composition and category of Directors, attendance at the Board Meetings, Annual General Meeting and shareholding of each Director:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at Last AGM	No. of Equity shares held
Mr. Ambar Patel	MD	5 out of 5	Yes	243910
Mr. Shailesh Desai	NED (I)	5 out of 5	Yes	1500
Mr. Chinubhai Shah	NED (I)	5 out of 5	No	—
Mr. Jainand Vyas	NED (I)	5 out of 5	Yes	2200
Mrs. Monica Kanuga	NED (P)	5 out of 5	Yes	—
Mr. Nipam R. Shah	NED (P)	4 out of 5	Yes	—

MD = Managing Director; NED = Non-Executive Director, I = Independent, P = Professional, PR = Promoter

#### Number of other board of directors or committees in which a Director is a director / member / chairperson:

Name of Director	Other Directorships*	Committee Memberships	Committee Chairmanships
Mr. Ambar Patel	01	-	-
Mr. Shailesh Desai	-	-	-
Mr. Chinubhai Shah	08	05	03
Mr. Jainand Vyas	-	-	-
Mrs. Monica Kanuga	1	-	-
Mr. Nipam R. Shah	-	-	-

\*It does not include Alternate Directorship, Directorship in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies.

As per regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership/ Chairmanship of the Audit Committee and Stakeholders Relationship Committee in Indian public companies have been reported.

iv) As required by Section 165(1) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, none of the Directors holds Directorships in more than 20 Companies (Public or Private). Necessary disclosures regarding committee positions in other public Companies as on March 31, 2018, have been made by the Directors. None of the Directors on the Board is a member of more than 10 committees or act as a Chairman of more than 5 committees across all the public Companies in which he is a Director. None of the Directors serve as Independent Director in more than 7 listed Companies. None of the Director who serves as Whole Time Director in any Listed Company serves as Independent Director in more than three Listed Companies.

v) **Disclosure of relationships between Directors inter-se**

None of the Directors are related to each other.

vi) **Independent Directors' Meeting:**

A separate meeting of the Independent Directors was held on 24<sup>th</sup> March, 2018 to carry out the evaluation for the financial year 2017-18, pursuant to provisions of Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors discussed on the following:

- Evaluation of performance of Non-Independent Directors on the Board, as a whole.
- Evaluation of the performance of Chairperson of the Company.
- Evaluate the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

All the Independent Directors of the Company were present at the Meeting. Mr. Chinubhai Shah was elected as the Chairman of the Meeting.

vii) **Familiarization Programme / Induction to Independent Directors:**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director will be taken through a formal induction (familiarization) program including the presentation from the Managing Director / CEO on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary will brief the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site, etc.

There was neither any appointment of new Independent Director, nor any new development took place in the Company, that raises a need of holding a Familiarization Programme during the year.

viii) **Evaluation of the Board's Performance:**

The evaluation framework for assessing the performance of Board including the individual directors is based on the following key measures:

- Attendance and participation in the Meetings and timely inputs on the minutes of the meetings
- Adherence to ethical standards & code of conduct of Company
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
- Interpersonal relations with other directors and management
- Objective evaluation of Board's performance, rendering independent, unbiased opinion
- Understanding of the Company and the external environment in which it operates and contribution to strategic direction
- Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information
- The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors.

A member of the Board does not participate in the discussion of his / her evaluation.

ix) **Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, transparency and compliance of laws & regulations, etc. The Code has also been posted on the website of the Company [www.shilpgravures.com](http://www.shilpgravures.com). All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Chief Executive Officer is attached and forms part of this Report.

x) **Prevention of Insider Trading Code:**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code of Internal Procedure & Conduct for Regulating, Monitoring and Reporting of Trading by the Insiders for Prevention of Insider Trading. All the Specified persons who could have access to the unpublished price sensitive information of the Company are governed by this Code. During the year under review, the trading window remained closed at the time of declaration of results and occurrence of any material events as per the code. The Compliance officer of the Company is responsible for setting forth procedures and implementation of the code of trading in Company's securities.

### 3. COMMITTEES OF THE BOARD:

#### A. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 ("Act").

The Audit Committee comprises Five Directors viz. Mr. Chinubhai Shah, Mr. Jainand Vyas and Mr. Shailesh Desai as Independent Directors, Mr. Nipam Shah - Non Executive Director and Mr. Ambar Patel – Managing Director. Mr. Chinubhai Shah is the Chairman of the Audit Committee. The terms of reference of the Committee cover the matters specified for Audit Committee under the SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015 and Companies Act, 2013, as given below.

The Statutory Auditors, Internal Auditors, and other relevant Senior Management Persons are invited to attend the Meetings of Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee.

#### • Meetings and attendance during the year

There were Four (4) Audit Committee Meetings held during the year ended 31<sup>st</sup> March, 2018 on 29<sup>th</sup> April, 2017; 22<sup>nd</sup> July 2017; 04<sup>th</sup> November, 2017; and 03<sup>rd</sup> February, 2018. The necessary quorum was present for all the meetings. During the year 2017-18, the Audit Committee was reconstituted and Mr. Jainand Vyas was appointed as Member of Audit Committee w.e.f. 22<sup>nd</sup> July 2017.

The attendance of each member of the Audit Committee is given below:

Name	Position	Number of meetings during the year 2017-18	
		Held	Attended
Mr. Chinubhai Shah	Chairman	4	4
Mr. Shailesh Desai	Member	4	4
Mr. Ambar Patel	Member	4	4
Mr. Nipam Shah	Member	4	3
Mr. Jainand Vyas	Member	4	2

#### i) The terms of reference of the Audit Committee broadly includes:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- Approval of remuneration to be paid to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Appointment, removal and terms of remuneration of Internal Auditors.
- Reviewing with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters included in the Directors' Responsibility Statement
  - Changes, if any, in Accounting Policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement by Management;
  - Significant adjustments made in the financial statements arising out of Audit findings;
  - Compliance with Listing and other Legal requirements relating to the financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft Audit Report.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the Management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit.
- Discussions with Internal Auditors on any significant findings and follow up thereon.
- Reviewing Internal Audit Reports in relation to internal control weaknesses.
- Reviewing the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors, before the Audit commences, about the nature and scope of Audit as well as Post-Audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors, if any.

## B. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee comprises of 3 Directors viz. Mr. Shailesh Desai and Mr. Chinubhai Shah as Independent Directors and Mr. Nipam Shah – Non-Executive Director. Mr. Shailesh Desai is Chairman of the Nomination and Remuneration Committee. The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under the SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015 and Companies Act, 2013 as given below. Mr. Shailesh Desai, Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting held on 23<sup>rd</sup> September, 2017.

The broad terms of reference of the Nomination & Remuneration Committee includes:

- To formulate criteria for determining qualifications, positive attributes, Independence of Directors and to evaluate the performance of the Board of Directors.
- To identify and assess potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel(s).
- To determine Company's Policy on specific remuneration packages for Executive Directors as well as Non - Executive Directors including pension rights and any compensation payment.
- To support Board in evaluation of performance of all the Directors and in annual self-assessment of the Board's overall performance.
- To conduct annual performance of all the Directors, Committees and also the Senior Management Employees.
- To formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.
- Such other matters as the Board may from time to time request the Nomination & Remuneration Committee to examine and recommend/ approve.
- **Meetings and attendance during the year**

There was (1) meeting of the Nomination & Remuneration Committee held during the year ended 31<sup>st</sup> March, 2018 on 29<sup>th</sup> April, 2017. Necessary quorum was present at the meetings held.

The attendance of each member of the Nomination and Remuneration Committee is given below:

Name	Position	Number of meetings during the year 2017-18	
		Held	Attended
Mr. Shailesh Desai	Chairman	1	1
Mr. Chinubhai Shah	Member	1	1
Mr. Nipam Shah	Member	1	1

The Company does not have any Employee Stock Option Scheme.

### i) Policy on Director's Appointment and Remuneration:

- **Appointment Criteria and qualifications:**
  - i) A person who is proposed to be appointed as Director of the Company should be eligible to be appointed as Director and must hold Director Identification Number issued by the Central Government and possess such qualification, expertise and experience as prescribed under the Act.
  - ii) Without prejudice to generality of the above, a person who is proposed to be appointed as an Independent Director shall also be subject to compliance of provisions of section 149(6).
  - iii) KMP or Senior Management personnel shall have adequate qualification, expertise and experience in the relevant field for which the appointment is proposed to be made.
  - iv) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- **Term / Tenure**

#### i) Managing Director / Whole-time Director / Manager:

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### ii) Independent Director:

Subject to the provisions of the applicable Regulations, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's report.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such prescribed period by the Statutory Authority from time to time.

- **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

- **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

- **Remuneration Policy**

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce.

- **Remuneration to Whole-time / Executive / Managing Director(s)**

The Company pays remuneration by way of salary, benefits & perquisites and allowances to its Managing Director and the Executive Directors. An annual increment are decided by the Nomination & Remuneration Committee out of the profits of the Company, based on the performance of the Company as well as that of the Managing Director and each Executive Director, which is within the salary scale approved by the Members and are effective from 1st July every year.

- **Remuneration to Non-Executive / Independent Directors**

The Non-executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and shall also be paid to Non-executive Non Independent Directors, provided he / she is not in receipt of any remuneration or commission from the Company on regular basis. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors based out of Ahmedabad.

The profit-linked Commission if paid would be within the monetary limit as recommended by the Board and approved by the shareholders of the Company.

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

- **Remuneration to KMP / SMP / other Employees**

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration varies based on the grades and are governed by industry patterns, qualification and experience of the employee, responsibilities handled by him, his individual performance, etc.

ii. **Details of Remuneration for the year ended March 31, 2018 are given below:**

- **Executive Directors:**

Particulars	Name of Director Mr. Ambar Patel [Managing Director]	(Rs. In Lacs)
Salary		46.08/-
Perquisites & Allowances		23.91/-
Retirement Benefits		6.65/-
<b>Total</b>		<b>76.64/-</b>
No. of Shares		243910

- 1) Notice period for Executive Directors is 3 months.
- 2) The Company has not issued any stock options to the Directors.
- 3) The period for the payment of remuneration to the executive directors is effective from 1<sup>st</sup> July every year and hence the aforesaid figures are derived proportionately for the year ended on March 31, 2018.

- **Non-Executive Directors:**

During the year 2017-18, the Company has paid sitting fees of Rs. 15,000/- per meeting to its Non – Executive Directors for attending meetings of the Board of Directors and Audit Committee meetings whereas Rs. 10,000/- per meeting were paid for attending the meetings of Stakeholders’ Relationship Committee and Nomination & Remuneration Committee of the Company.

The sitting Fees / remuneration paid to Non-Executive Directors and their Shareholding in the Company as on March 31, 2018 is as follows:

Name of Director	Particulars		
	Sitting Fees Paid (Rs. In Lacs)	Remuneration (Rs. In Lacs)	No. of Shares
Mr. Shailesh Desai	1.55	—	1500
Mr. Jainand Vyas	1.35	—	2200
Mr. Chinubhai Shah	1.75	—	—
Mrs. Monica Kanuga *	0.95	3.27	—
Mr. Nipam R. Shah *	1.15	8.04	—

\* Paid as Professional Consultancy Fee (Including TDS).

Non - Executive Directors does not have any material pecuniary relationship or transactions except those mentioned under Related Party Transactions.

### C. Stakeholders’ Relationship Committee:

The Stakeholders’ Relationship Committee comprises of 3 Directors viz. Mr. Chinubhai Shah, Mr. Jainand Vyas and Mrs. Monica Kanuga. Mr. Chinubhai Shah, Independent Non-Executive Director is Chairman of the Stakeholders’ Relationship Committee.

Mr. Bharat Patel, Company Secretary is the Compliance Officer of the Company.

The Committee to look into the redressal of complaints of investors such as transfers or credit of shares, non – receipt of dividends/ notices/ annual reports, etc. and take necessary steps for redressal thereof. The Company has taken necessary steps to adequately comply with the Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- **Details of Investors’ complaints received and redressed during the year 2017-18 are as follows:**

No. of Shareholders’ complaints received: Nil

No. not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

- **Meetings and attendance during the year**

There were two meetings of the Stakeholders’ Relationship Committee were held during the year ended 31<sup>st</sup> March, 2018 on 29<sup>th</sup> April, 2017 and 04<sup>th</sup> November, 2017. Necessary quorum was present for the meeting.

The attendance of each member of the Stakeholders’ Relationship Committee is given below:

Name	Position	Number of meetings during the year 2017-18	
		Held	Attended
Mr. Chinubhai Shah	Chairman	2	2
Mr. Jainand Vyas	Member	2	2
Mrs. Monica Kanuga	Member	2	2

### D. CSR Committee:

- i) In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy and has also constituted a CSR Committee.

- ii) The composition of the CSR Committee and the details of meetings attended by its members are given below:

Name	Position	Number of meetings during the year 2017-18	
		Held	Attended
Mr. Nipam Shah (Chairman)	Non - Executive	4	3
Mr. Shailesh Desai	Independent, Non - Executive	4	4
Mr. Ambar Patel	Non - Independent, Executive	4	4

- iii) Four meeting of the CSR Committee were held during the held during the year ended 31<sup>st</sup> March, 2018 on 29<sup>th</sup> April, 2017, 22<sup>nd</sup> July, 2017, 04<sup>th</sup> November, 2017 and 03<sup>rd</sup> February, 2018. Necessary quorum was present for the meeting.
- iv) The broad terms of reference of the CSR Committee includes:
- To frame the CSR Policy and its review from time – to – time.
  - To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
  - To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.
- v) The CSR Report for the year ended March 31, 2018 is attached as an Annexure to the Board's Report.

#### 4. INFORMATION RELATING TO GENERAL BODY MEETINGS:

- a. Annual General Meeting

Financial Year	Date	Time	Venue
2016-2017	23 <sup>rd</sup> September, 2017	04.00 p.m	778/6, Pramukh Industrial Estate, Sola – Santej Road, Village: Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 722, Gujarat, India
2015-2016	23 <sup>rd</sup> September, 2016	04.00 p.m.	
2014-2015	23 <sup>rd</sup> September, 2015	04.00 p.m.	

- b. Extra Ordinary General Meeting: No Extra – Ordinary General Meeting of the members was held during the year 2017-18.

- i) Postal Ballot: No Special Resolution was passed through Postal Ballot during the year 2017-18.
- ii) The following Special Resolutions were passed in last three Annual General Meetings:

Date of Meeting	Resolutions
23 <sup>rd</sup> September, 2017	<ul style="list-style-type: none"> <li>Approval of Borrowing/Financial Assistance under Section 180(1) (c) if the Companies Act, 2013</li> <li>Approval for creation of Mortgage/ Charge for Borrowing/Financial Assistance availed under Section 180 (1) (a) of the Companies Act, 2013</li> <li>Adoption of new sets of Articles of Association</li> </ul>
23 <sup>rd</sup> September, 2016	<ul style="list-style-type: none"> <li>Transaction with Related Party u/s 188 of the Companies Act, 2013</li> </ul>
23 <sup>rd</sup> September, 2015	<ul style="list-style-type: none"> <li>For Revision in the terms of appointment and the remuneration payable to Mr. Ambar Patel, Managing Director of the Company.</li> </ul>

#### 5. MEANS OF COMMUNICATION:

i.	Quarterly results	:	The quarterly, half yearly and annual results of the Company are published in leading newspapers in India
ii.	Newspapers wherein results are normally published	:	"Indian Express" in English "Financial Express" in local language, i.e. Gujarati editions
iii.	Website, where displayed	:	"www.shilpgravures.com"
iv.	Displays official news releases	:	Yes
v.	The presentations made to institutional investors or to the analysts	:	No

## 6. GENERAL SHAREHOLDER INFORMATION:

1.	Annual General Meeting	Saturday, 14 <sup>th</sup> July, 2018, at 04.00p.m. - 778/6, Pramukh Industrial Estate, Sola – Santej Road, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar-382 722, Gujarat
2.	Financial Year	2017 - 2018
	Book Closure	Saturday, the 07 <sup>th</sup> day of July, 2018 to Saturday 14 <sup>th</sup> day of July, 2018 (both days inclusive)
3.	Dividend Payment Date	on or after 14 <sup>th</sup> Day of July, 2018
4.	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
5.	Stock Code/ Symbol	Stock Code – 513709, Stock Symbol - SHILGRAVQ, ISIN - INE960A01017
6.	Registrar and Share Transfer Agent	M/s. Link Intime (India) Private Limited 5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC -1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C.G. Road, Navrangpura, Ahmedabad -380009 Email: ahmedabad@linkintime.co.in, Website: <a href="http://www.linkintime.co.in">http://www.linkintime.co.in</a>
7.	Share Transfer System	Share Transfer Agent attends to the share transfer work and shares are transferred within a period of fifteen days from the date of lodgment, if the documents are accurate in all respects. Requests for Issue of Duplicate Shares / Fresh Share Certificate / Transmission / Consolidation of Shares are under the authority of Company Secretary. All requests for dematerialisation of shares are processed and the confirmation is generally given to the Depositories within 15 days
8.	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:	Not applicable
9.	Commodity price risk or foreign exchange risk and hedging activities	Not applicable
10.	Plant Location	Shilp Gravures Limited Factory & Registered Office: Shilp Gravures Limited 778/6, Pramukh Industrial Estate, Sola – Santej Road, Village Rakanpur, Taluka Kalol, Dist. Gandhinagar - 382 722, Gujarat, India.
11.	Address of Correspondence	Shilp Gravures Limited 778/6, Pramukh Industrial Estate, Sola – Santej Road, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar – 382 722, Gujarat, India, Tel. No.: +91 2764 286323, Fax No. : +91 2764 286335 E-mail address for Investor Services: <a href="mailto:purvipatel@shilpgravures.com">purvipatel@shilpgravures.com</a> Website: <a href="http://www.shilpgravures.com">http://www.shilpgravures.com</a>
12.	In case the securities are suspended from trading, the directors report shall explain thereason thereof	Not applicable
13.	Market price data – high, low during each month in last financial year	Please see Annexure 'A'
14.	Share Performance of the Company in comparison to BSE Sensex	Please see Annexure 'B'
15.	Distribution of shareholding as on March 31, 2018	Please see Annexure 'C'
16.	Dematerialization of Shares and Liquidity	As on 31 <sup>st</sup> March, 2018, 56,97,900 shares (92.65%) are held in dematerialized

## 7. OTHER DISCLOSURES:

### i) Related Party Transactions

There were no materially significant related party transactions that may have conflict with the interest of the Company. The related party transactions which are disclosed in the Notes No. 40 to Financial Statements for the year 31<sup>st</sup> March, 2018, are non-material in nature.

The Board has approved a policy for related party transactions and which has been uploaded on the Company's website viz. <http://www.shilpgravures.com>. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a yearly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length. All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis

ii) **Compliance**

There was no non-compliance by the Company; penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.

iii) **Whistle Blower Policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a vigil mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employees were denied to access to the Audit Committee. The Whistle Blower Policy is placed on the website of the Company viz. <http://www.shilpgravures.com>.

iv) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements are specified hereunder:**

**Mandatory Requirements:-**

The Company complies with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance. A Certificate from the Statutory Auditors of the Company to this effect has been included in this Report

**Non- Mandatory Requirements:-**

The status of compliance with non-mandatory recommendations as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided below:-

- a) Office for non-executive Chairman at company's expense: Not Applicable
  - a. Shareholders' Rights: As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
  - b. Modified opinion(s) in Audit Report: Complied as there is no modified opinion in Audit Report.
  - c. Separate posts of Chairman and CEO: The post of Chairman of the Board and his position is separate from that of the Managing Director & CEO.
  - d. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

v) **Policy for determining "Material Subsidiary" Company**

The Company has framed the policy for determining "Material Subsidiaries". The same has been placed on the website of the Company viz. <http://www.shilpgravures.com>.

vi) Disclosure of the compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

Regulation No.	Particulars	Compliance Status (Yes / No / NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

## 8. CEO & CFO CERTIFICATION:

The requisite certification from the Chief Executive Officer and Chief Financial Officer of the Company as per Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been placed before the Board of Directors of the Company and is being reproduced hereunder for your reference.

### ANNEXURE – A

Market price data of the Company's shares traded on BSE Limited (BSE) during the financial year 2017-18

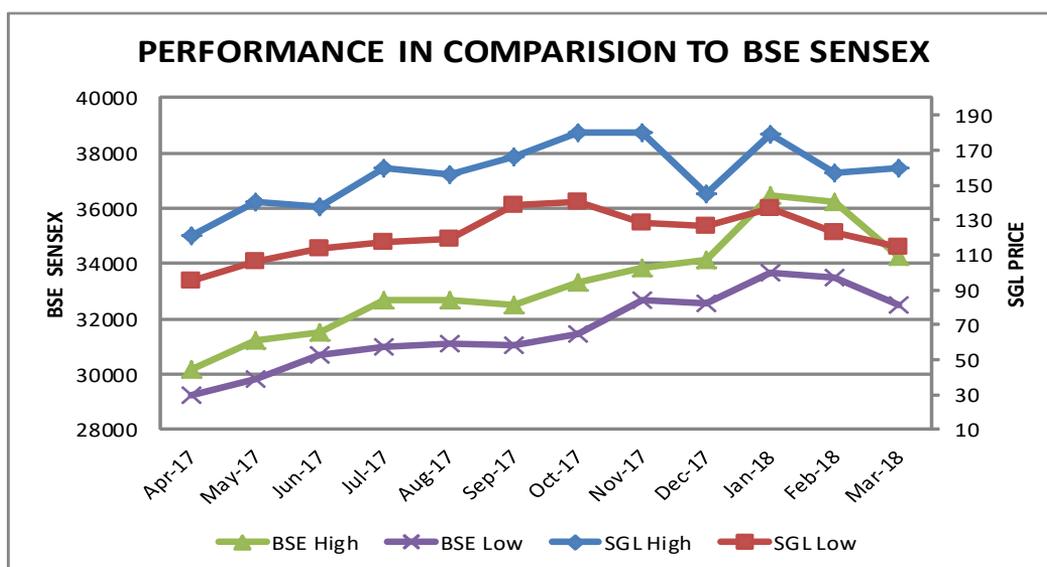
Month - Year	High Price	Low Price
April – 2017	121	95
May – 2017	140	106
June – 2017	138	114
July – 2017	160	117
August – 2017	156	119
September – 2017	166	139
October – 2017	180	140
November – 2017	180	128
December – 2017	145	127
January – 2018	179	137
February – 2018	157	123
March – 2018	160	115

### ANNEXURE – B

Share Performance of the Company in comparison to BSE SENSEX:

Monthly High and Low (based on daily closing prices) of the Company's Equity shares traded at BSE Limited and its performance in comparison to BSE SENSEX for the financial year ended 31<sup>st</sup> March, 2018 is given below:

Month	SGL (High)	SGL (Low)	BSE (High)	BSE (Low)
April – 2017	121	95	30184	29241
May – 2017	140	106	31255	29804
June – 2017	138	114	31523	30681
July – 2017	160	117	32673	31017
August – 2017	156	119	32686	31128
September – 2017	166	139	32524	31082
October – 2017	180	140	33340	31440
November – 2017	180	128	33866	32684
December – 2017	145	127	34138	32565
January – 2018	179	137	36444	33703
February – 2018	157	123	36257	33483
March – 2018	160	115	34279	32484



## ANNEXURE – C

The distribution of shareholdings as on 31st March, 2018:

Number of Shares Category (shares)	Shareholders		Shareholding	
	No. of Holders	%	No. of shares	%
1-500	5032	88.47	647853	10.54
501-1000	282	4.96	234345	3.81
1001-2000	169	2.97	246540	4.01
2001-3000	74	1.30	185903	3.02
3001-4000	23	0.40	80649	1.31
4001-5000	25	0.44	117198	1.91
5001-10000	31	0.55	235179	3.82
10001-above	52	0.91	4402133	71.58
<b>Total</b>	<b>5688</b>	<b>100%</b>	<b>6149800</b>	<b>100</b>

Shareholding pattern as on 31st March, 2018:

Category	No. of Shares	(%) of total capital
Indian Promoters	1951635	31.73
Foreign Promoters	1770440	28.79
Central Govt.	51887	0.84
Financial Institutions/Banks	0	0.00
Body Corporate	161989	2.64
Indian Public	1769951	28.78
NRI (Repatriable)	278919	4.54
NRI (Non-Repatriable)	10262	0.17
Director(s) & their Relatives	46953	0.76
Others	107764	1.75
<b>Grand Total</b>	<b>6149800</b>	<b>100</b>

## CERTIFICATION

To,  
The Board of Directors  
Shilp Gravures Limited

We, Mr. Roshan Shah, Chief Executive Officer and Mr. Amit Agrawal, Chief Financial Officer of the Company, hereby certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year 2017-2018 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Shilp Gravures Ltd.  
Sd/-

Mr. Roshan Shah  
Chief Executive Officer

Place: Rakanpur  
Date: 28th April, 2018

For Shilp Gravures Ltd.  
Sd/-

Mr. Amit Agrawal  
Chief Financial Officer

Place: Rakanpur  
Date: 28th April, 2018

## DECLARATION BY CHIEF EXECUTIVE OFFICER

This is to confirm that the Company has adopted Code of Conduct for its Directors & Senior Management Personnel. Both these codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2018, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel mean the Chief Financial Officer, Employees heading various departments and Company Secretary as on March 31, 2018.

**Mr. Roshan Shah**  
Chief Executive Officer

Place: Rakanpur  
Date: 28th April, 2018

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF SHILP GRAVURES LIMITED

### TO THE MEMBERS OF SHILP GRAVURES LIMITED

#### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no.KR/SGL/2017-18/01 dated September 29, 2017.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Shilp Gravures Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### Managements' Responsibility

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

#### Auditor's Responsibility

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

#### Opinion

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

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
Partner  
(Membership No. 106189)

Place: Ahmedabad  
Date: 28<sup>th</sup> April, 2018

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### ECONOMY OVERVIEW:

Indian economy regaining the rank of the world's fastest growing major economy according to the economic survey. Indian economy is projected to grow by 7.4% in the next fiscal year. The Gross Domestic Product (GDP) growth is expected to rise to 7.3% in 2018-19 and 7.5% for next two years, according to the World Bank's Global Economic Prospects report. In all likelihood, India is going to register higher growth rate than other major emerging market economies in the next decade.

According to the GEP (world Bank's Global Economic Prospects) India's future is looking good on several fronts viz., Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as the corporate sector adjusts to the GST, which over the medium term is expected to benefit economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector, and expanding the tax base. Moreover, the recapitalization package for public sector banks announced by the government is expected to help resolve banking sector balance sheets, support credit to the private sector, and lift investment, while the global trade recovery is expected to lift exports.

However, gives a thumbs up to the current government saying "India has an ambitious government undertaking comprehensive reforms and we have all the reasons to expect this government to continue economic policies to create friendly environment for businesses and push its growth potential up.

### GOVERNMENT INITIATIVES:

The Government of India has taken significant initiatives to strengthen the economic credentials of the country to and make it one of the strongest economies in the world. India is fast becoming home to start-ups focused on high growth areas such as mobility, e-commerce and other vertical specific solutions - creating new markets and driving innovation.

Owing to higher infrastructure spending, increased fiscal devolution to states, and continued reforms in fiscal and monetary policy, the Indian economic outlook has strengthened. The Government of India is striving to move steadily to minimise structural and political bottlenecks, attract higher investment and improve economic performance.

In the Union Budget 2017-18, government verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency and simplifying the tax administration in the country.

The Government of India has set a target to double farm income by 2022 through measures like large scale micro irrigation, water conservation, expansion of formal cash credit coverage, crop insurance and agriculture diversification. Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

### INDUSTRY STRUCTURE AND DEVELOPMENT

#### PACKAGING INDUSTRY:

Flexible packaging has been one of the fastest growing sectors in the packaging industry over the past 10 years, considering increased consumer focus on convenience and sustainability; this rapid development will continue to accelerate. Given its myriad benefits in terms of superior aesthetics, improved functionalities, lightweighting, sustainability advantages and optimized barrier properties. Food sector within the FMCG is the biggest consumer of flexible packaging with a massive share of over 70%.

Flexible packaging offers all properties needed for primary packaging such as lightweight, high performance, high barrier, low contamination, keeping the product completely sealed off from the environment. Flexible packaging also offers a number of sustainability advantages including low raw material consumption owing to light weighting thus leaving lesser carbon footprint. Flexible packaging paves way for reduced energy usage at manufacturing, transportation and disposal stages besides producing relatively low waste produced as compared to conventional packaging formats.

Flexible packaging is the most economical method to package, preserve and distribute food, beverages, other consumables, pharmaceuticals and other products that need extended shelf life. It can be designed with barrier properties tailored to fit the products being packaged keeping in mind the end-use, whereas other packaging formats generally provide a one-size-fits-all approach. Flexible packaging can now be made in a wide variety of innovative shapes, sizes and appearances, and can include components such as handles and opening and reclosing features such as zips and spouts to name a few. Changing consumer lifestyle has increased dependence on processed, pre-cooked and packed foods, which also mobilized the entire flexible packaging supply chain to sync product offering as per end customer's requirement. The flexible packaging industry has witnessed introduction of new and efficient films that are used in flexible packaging. Modified Atmosphere Packaging (MAP), vacuum skin packaging are some of the current trending packaging solutions which have been developed to meet end customer demand.

The packaging sector will only grow further as packaging is essential for all sectors right from processed foods and food grains to fertilisers and pharma. Even traditional sectors that were hitherto not focusing much on packaging are now spending a lot on packaging, thus increasing the market for the sector.

The Indian packaging industry is expected to grow to \$32000 million by 2020 as per the Indian Institute of Packaging (IIP). According to experts, the Indian packaging industry constitutes about 4 per cent of the global market. With retail and e-commerce growing rapidly, the future of the packaging sector appears to be upbeat. Packaging has an annual global turnover of about \$550000 million, and India's share is approx \$16500 million per annum, making the Indian Packaging Industry rank 11th in the world.

Flexible Packaging is the leading pack type in the Indian packaging industry and will grow at a healthy CAGR of 8.9% during 2016-2021, with major contributions from the Food, Household Care, and Cosmetics & Toiletries industries.

Amid the ever growing concern for environmental sustainability, flexible packaging which both by default and design happens to be far more energy-efficient throughout the three stages of life cycle manufacturing, transportation and disposal.

### GRAVURE INDUSTRY:

Gravure is an advanced, high-tech printing process operating the fastest and widest printing presses in the world, and it was the first printing process to employ a totally digital environment. The gravure printing process holds a prominent place in the printing industry with its efficient, long run, high-speed and consistently high-quality printing method and is well aligned with its simplicity as well as the negative impact the process has on the environment. Growth towards environmental sustainability is a powerful move for the gravure industry and it must take a further step in to sustainable practice and procedure.

Gravure is used for labels, cartons, packaging, gift-wrap, wall and floor coverings, and a variety of precision coating applications. In the face of uncertain economic times, the gravure market is striving to maintain margins and market share while focusing on technological advances to drive growth.

Flexible packaging has been a strong area for gravure. Flexible packaging is one of the high growth markets for packaging, and gravure has grown along with this market segment. Both of these markets are dominated by gravure printing at this time, but gravure will continue to play an important role in flexible packaging. In India, rising urban trend and growing brand consciousness has improved the prospects of the gravure industry due to growing demands for sophisticated packaging. More cost effective, easy to handle and better protection has led the flexible packaging industry to grow at a fast clip. The Government's decision to permit 100% FDI in multi-brand retail is also expected to support the sector.

Your Company serves complete cross-section of the gravure industry such as:

- Flexible Packaging
- Anilox Rollers
- PVC Flooring
- Decorative Laminates
- Specialty Coatings
- Artificial Leather
- Gift Wrapper
- Security printing
- Transfer printing

India has an advantage of large volume consumption of consumer products and therefore gravure is the most preferred technology to handle such volumes due to economy of scale, availability of skilled manpower and high quality printing.

### OPPORTUNITY:

Flexible packaging market has been driving the packaging industry to new heights. Development across consumer and industrial market, improvements in manufacturing practices, and continued technological innovations, the packaging market has been able to grow and evolve thereby shaping the packaging trends. As a result of the various beneficial features that come with it, right from ease of handling, storage and convenience to being economic in terms of cost savings, flexible packaging has certainly paved a strong position for itself, and is seen as a key segment driving growth of the overall packaging industry world over.

The factors driving the flexible packaging market are the rise in demand and adoption of the packaging type across end-use sectors such as food and beverages and Fast Moving Consumer Goods (FMCG). Ease of packaging has made flexible packaging a perfect alternative for display and branding of retail goods, in turn driving growth of the global flexible packaging market. Backed by investments in technology and industry equipment, the industry is expected to enjoy a high growth rate in the coming years.

Further, the packaging industry's growth has led to greater specialization and sophistication from the point of view of health and environment friendliness.

Your company continues to cater the Indian Packaging Industry with its dedicated endeavors which in turn stimulates the growth of the Company in the future. Your company has been investing in training the manpower and upgrading the technology from time to time to keep the pace with the changing trends.

### THREATS, RISKS AND CONCERNS:

Flexible packaging markets remain highly competitive at both the national and regional levels, often with narrow margins. The global flexible packaging industry continues to be highly fragmented although a small yet growing number of multinational converters are adopting a global strategy to grow in sync with their clients who are expanding their footprint in emerging markets including Eastern Europe, Asia, Africa and Latin America. There is an increasing concern among consumers for environmentally sustainable packaging solutions that has made R&D towards light weighting of substrates and packaging structures rather ubiquitous. There is a growing clamor for packaging that contributes to the Circular Economy leaving lesser waste and thus lower carbon footprint.

The contemporary sustainability narrative now puts a much larger onus on to the packaging manufacturers to innovate and ensure reduction at source. Worldwide more and more bio-degradable products are being used. Packaging films are often considered environment unfriendly; face significant opposition from various strata of society and are subjected to severe regulatory and statutory scrutiny although it has been proved beyond reasonable doubt that this type of packaging requires much less energy throughout all the critical stages of its life cycle i.e. during manufacturing, transportation and disposal when compared with its rigid counterpart

### FUTURE OUTLOOK:

According to Smithers Pira, the global market for flexible packaging is forecast to reach upto \$248000 million by 2020. The major growth engines shall be the Asia-Pacific (APAC) countries.

Packaging continues to be a growth market, and within the packaging sector, flexible packaging is arguably the fastest growing segment. This growth brings with it new challenges for flexographic printers. Flexible packaging is the most economical method for packaging, preserving and distributing food and other consumables. Flexible packaging also carries a lower supply chain cost than glass and metal and can deliver more shelf appeal and product protection.

The players in the flexible packaging industry worldwide are coming up with more and more innovative and effective flexible packaging products. Flexible packaging designs such as zippers, pouring spouts, peel-off lids, and microwavable pouches provide consumers with convenience in accessing and disposing of the products like never before. Such packaging designs are being increasingly improvised to meet the growing consumer demand for food and beverage products offering higher convenience and portability. Many packaging companies/convertors are planning to devise innovative products to match ever evolving brand expectations. A lot of emphasis is being paid on intelligent packaging. Most of the convertors are focused on inventing new packaging designs or attempting to revamp existing packaging to be able to offer better value proposition to the brands.

The evolution in the packaging industry is flexible packaging which has gained popularity worldwide for its benefits over rigid packaging. With benefits such as functional convenience in handling & transportation, cost effectiveness and brand protection from counterfeiting, flexible packaging industry worldwide is led by a strong growth. India now has the fourth largest flexible packaging market, representing around 6% global market, behing China and Japan. Analyst with PCI wood Mackenzie, says over next five years , flexible packaging will grow at nearly 10% per annum.

The window of opportunity is promisingly big considering Flexible packaging inherently highly adaptable, clever and solution driven designs that the packaging companies are coming up with further drives the sustainability quotient of the products which they pack.

#### SEGMENT WISE PERFORMANCE:

As on March 31, 2018, the Company has only two reportable segments, that of i) manufacture of engraved copper rollers and ii) energy generation through wind mill. The segment revenue, results, assets, and liabilities include the respective amounts identifiable to each of the segment and amount allocated to it. The figurative parameter in detail is provided in Note no. 41 (Segment Reporting) in the Note to Financial Statements.

#### FINANCIAL PERFORMANCE:

An overview of the financial performance is given in the Board's Report. The Audit Committee constituted by the Board of Directors periodically reviews the financial performance and reporting systems.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has laid down internal financial controls. The policies and procedures adopted by the Company ensure orderly and efficient conduct of its business, safe-guarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable information.

Your Company have an Audit Committee and has met four times in the year. Audit Committee ensures proper compliance with the provisions of the Listing Regulations, Companies Act, reviews the adequacy and effectiveness of the internal control environment and monitors implementation of internal audit recommendations. Besides the above, Audit Committee is actively engaged in overseeing financial disclosures. The recommendations of the Internal Auditors and the Audit Committee are followed up effectively for implementation.

#### HUMAN RESOURCES / INDUSTRY RELATIONS:

The focus of any industry is usually on its men and machinery and if these are looked after well then any business is sure to succeed. Our focus in this year was mainly on increasing manpower and strengthening the skill base of the organization, hence recruiting and extensive training was on agenda. We took up extensive in-house on the job training for various category of employees and fresh recruits. Besides this the training & seminar participations for new norms like GST was also in the agenda so as to ensure a smooth transition of the systems in the new tax norms.

In an ongoing effort to focus on health and safety of the workforce the health check program and safety awareness were a part of the yearly calendar. Your Company's Human Resource agenda makes the "EMPLOYEES" its focal point and hence their well-being, skill up gradation and livelihood has been the most targeted area. The employee's well-being is a continual effort and to re-enforce healthy living, annual health check-up followed by individual counseling on various health related issues has been done.

Your Company' agenda to build a performance driven culture aiming at constant growth has been a priority throughout and to sustain continual high performance standards and growth it is the focus on the work culture and good management practices that bring in the desired results. All these factors have attributed in making the human resource at the Company a culturally diverse yet one of the best functional teams at work.

#### CAUTIONARY STATEMENT:

Statements in the Management Discussion & Analysis Report describing the Company's objectives, projections, expectations, opinion and predictions may please be considered as "forward looking statements" only. Actual results may differ materially from those expressed or implied. Important factors that could influence the Company's operations should be viewed in light of changes in market conditions, domestic demand and supply conditions, prices of raw materials, economic developments in the country, changes in the government regulations, tax laws and other statutes and such other incidental factors which are material to the business operation of the Company.

**On the behalf of The Board of Directors**

**Ambar Patel**  
(Managing Director)

**Shailesh Desai**  
(Director)

**Place: Rakanpur**  
**Date: 28th April, 2018**

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
SHILP GRAVURES LIMITED

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Shilp Gravures Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm’s Registration No. 117365W)

**Kartikeya Raval**  
(Partner)

Membership No. 106189

Place : Ahmedabad  
Date: 28<sup>th</sup> April, 2018

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

### (Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

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

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

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

#### Auditor’s Responsibility

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
(Partner)  
Membership No. 106189

Place : Ahmedabad  
Date: 28<sup>th</sup> April, 2018

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report of even date on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us we report that, Immovable properties of land & buildings whose title deeds have been pledged as security for Borrowings are held in the name of the Company as at the balance sheet date, based on the confirmations directly received by us from lenders.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under section 185 and 186 of the Companies Act, 2013. Hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Hence reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.
  - Details of dues of Income-tax which have not been deposited as on 31<sup>st</sup> March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved and Unpaid (Rs. In Lacs)
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	A.Y. 2010-11	5.78
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	A.Y. 2013-14	38.03
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2014-15	29.30

There are no dues of duty of excise, service tax, value added tax, Goods and Service Tax and customs duty that have not been deposited as at 31<sup>st</sup> March, 2018 on account of disputes.

- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures and has not taken any loans from the government.
- In our opinion and according to the information and explanation given to us, the company has utilised the term loan for the purpose for which it was raised.
- To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.
- In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
(Partner)  
Membership No. 106189

Place : Ahmedabad  
Date: 28<sup>th</sup> April, 2018

PARTICULARS	NOTES	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017	AS AT 1ST APRIL, 2016
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
(a) Property, Plant and Equipments	5	4,366.11	4,091.37	4,420.04
(b) Capital work-in-progress	6	28.54	25.87	9.48
(c) Financial Assets				
(i) Other Financial Assets	7	52.59	54.88	54.79
(d) Non - Current Tax Assets (net)	8	106.63	57.65	43.86
(e) Other Non-Current Assets	9	5.93	16.75	3.86
<b>Total Non - Current Assets</b>		<b>4,559.80</b>	<b>4,246.52</b>	<b>4,532.03</b>
<b>Current Assets</b>				
(a) Inventories	10	665.07	519.35	492.81
(b) Financial Assets				
(i) Investments	11	1,617.79	1,229.20	162.02
(ii) Trade Receivables	12	1,554.04	1,262.33	1,283.34
(iii) Cash and Cash Equivalents	13	59.18	86.21	98.68
(iv) Bank Balances other than (iii) above	13	12.57	146.30	463.20
(v) Other Financial Assets	14	6.37	2.54	2.97
(c) Other Current Assets	15	33.77	102.58	86.03
<b>Total Current Assets</b>		<b>3,948.79</b>	<b>3,348.51</b>	<b>2,589.05</b>
<b>TOTAL ASSETS</b>		<b>8,508.59</b>	<b>7,595.03</b>	<b>7,121.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	16	614.98	614.98	614.98
(b) Other Equity	17	5,353.06	4,764.03	4,151.92
<b>TOTAL EQUITY</b>		<b>5,968.04</b>	<b>5,379.01</b>	<b>4,766.90</b>
<b>LIABILITIES</b>				
<b>Non - Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	18	446.02	106.41	138.36
(b) Provisions	19	117.03	115.81	135.15
(c) Deferred Tax Liabilities (Net)	20	355.37	456.48	486.98
<b>Total Non - Current Liabilities</b>		<b>918.42</b>	<b>678.70</b>	<b>760.49</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	404.95	644.77	760.56
(ii) Trade Payables	22	797.49	658.09	687.40
(iii) Other Financial Liabilities	23	336.96	135.02	94.19
(b) Provisions	24	36.62	37.91	12.82
(c) Other Current Liabilities	25	46.11	61.53	38.72
<b>Total Current Liabilities</b>		<b>1,622.13</b>	<b>1,537.32</b>	<b>1,593.69</b>
<b>TOTAL LIABILITIES</b>		<b>2,540.55</b>	<b>2,216.02</b>	<b>2,354.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,508.59</b>	<b>7,595.03</b>	<b>7,121.08</b>
<b>See accompanying notes forming part of the financial statements</b>				

In terms of our report attached

 For and on behalf of the Board of Directors of  
 Shilp Gravures Limited

**For Deloitte Haskins & Sells**  
 Chartered Accountants

**Ambar J. Patel**  
 Managing Director (DIN No. - 00050042)

**Shailesh C Desai**  
 Director (DIN No. - 00169595)

**Kartikeya Raval**  
 Partner

**Amit Agrawal**  
 Chief Financial Officer

**Bharat Patel**  
 Company Secretary

 Place : Ahmedabad  
 Date : 28<sup>th</sup> April, 2018

 Place : Rakanpur  
 Date : 28<sup>th</sup> April, 2018

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in Lacs)

Particulars	NOTE	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
I Revenue from Operations	26	6,904.07	6,992.78
II Other Income	27	140.10	124.06
<b>III TOTAL REVENUE (I+II)</b>		<b>7,044.17</b>	<b>7,116.84</b>
<b>IV EXPENSES</b>			
Cost of raw materials consumed	28	1,913.08	1,641.21
Changes in inventories of finished goods and work in progress	29	(48.91)	(10.24)
Employee benefits expense	30	1,962.69	1,889.44
Finance costs	31	99.06	97.66
Depreciation and amortisation expense	5	658.57	607.01
Other expenses	32	1,609.39	1,916.71
<b>TOTAL EXPENSES (IV)</b>		<b>6,193.88</b>	<b>6,141.79</b>
<b>V Profit Before Tax (III-IV)</b>		<b>850.29</b>	<b>975.05</b>
<b>VI Tax Expenses</b>			
(1) Current tax	33	248.08	290.25
(2) (Excess) / Short provision for tax relating to prior years		(1.17)	(0.32)
(3) Deferred tax		(99.88)	(25.64)
		147.03	264.29
<b>VII Profit for the year (V-VI)</b>		<b>703.26</b>	<b>710.76</b>
<b>VIII Other Comprehensive Income:</b>			
Items that will not be reclassified to Statement of Profit or Loss			
Remeasurement of defined benefits plan		(4.43)	(14.69)
Income Tax Expenses on Remeasurement of defined benefits plan		1.23	4.86
<b>IX Total Other Comprehensive Income</b>		<b>(3.20)</b>	<b>(9.83)</b>
<b>X Total Comprehensive Income for the year (VII+IX)</b>		<b>700.06</b>	<b>700.93</b>
<b>Earnings per equity share (Face value of Rs. 10 each)</b>			
Basic & Diluted (in Rs.)	34	11.38	11.40
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached

 For and on behalf of the Board of Directors of  
 Shilp Gravures Limited

**For Deloitte Haskins & Sells**

Chartered Accountants

**Ambar J. Patel**

Managing Director (DIN No. - 00050042)

**Shailesh C Desai**

Director (DIN No. - 00169595)

**Kartikeya Raval**

Partner

**Amit Agrawal**

Chief Financial Officer

**Bharat Patel**

Company Secretary

Place : Ahmedabad

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

Place : Rakanpur

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

### A. Equity Share Capital

Particulars	No. Shares	Amount (Rs. in Lacs)
<b>Balance as at 1st April, 2016</b>	<b>61,49,800</b>	<b>614.98</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31st March, 2017</b>	<b>61,49,800</b>	<b>614.98</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31st March, 2018</b>	<b>61,49,800</b>	<b>614.98</b>

### B. Other Equity

(₹ in Lacs)

Particulars	Reserves & Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1st April, 2016</b>	<b>15.00</b>	<b>1,284.76</b>	<b>2,852.16</b>	<b>4,151.92</b>
Profit for the year	-	-	710.76	
Other comprehensive income (*) for the year	-	-	(9.83)	
<b>Total comprehensive income</b>	<b>15.00</b>	<b>1,284.76</b>	<b>3,553.09</b>	<b>4,852.85</b>
Payment of Dividends	-	-	(73.80)	
Tax on Dividend Paid	-	-	(15.02)	
Transfer to General Reserve	-	25.00	(25.00)	
<b>Balance as at 31st March, 2017</b>	<b>15.00</b>	<b>1,309.76</b>	<b>3,439.27</b>	<b>4,764.03</b>
Profit for the year	-	-	703.26	
Other comprehensive income (*) for the year	-	-	(3.20)	
<b>Total comprehensive income</b>	<b>15.00</b>	<b>1,309.76</b>	<b>4,139.33</b>	<b>5,464.09</b>
Payment of Dividends	-	-	(92.25)	
Tax on Dividend Paid	-	-	(18.78)	
Transfer to General Reserve	-	25.00	(25.00)	
<b>Balance as at 31st March, 2018</b>	<b>15.00</b>	<b>1,334.76</b>	<b>4,003.30</b>	<b>5,353.06</b>

(\*) Other comprehensive income for the year classified under retained earning is in respect of remeasurement of defined benefit plans (net of tax).

See accompanying notes forming part of the financial statements

In terms of our report attached

**For and on behalf of the Board of Directors of  
Shilp Gravures Limited**

**For Deloitte Haskins & Sells**

Chartered Accountants

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**Shailesh C Desai**

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Partner

**Amit Agrawal**

Chief Financial Officer

**Bharat Patel**

Company Secretary

Place : Ahmedabad

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

Place : Rakanpur

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

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

(₹ in Lacs)

Particulars	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	850.29	975.05
Adjustments for :		
Depreciation and amortisation expenses	658.57	607.01
Bad debts written off	-	3.68
Finance cost	99.06	97.66
Interest income from banks	(0.33)	(41.36)
Net gain on sale of current investments	(24.43)	(40.36)
Net gain arising on Mutual Fund Investment measured at FVTPL	(97.93)	(18.83)
Dividend Income	(0.21)	(0.21)
(Gain) / Loss on disposal of Property, Plant and Equipments	(2.83)	6.57
Net unrealised foreign exchange loss / (gain)	1.02	(0.84)
Interest income on deposit	(3.34)	(3.66)
Provision For Expected Credit Loss	4.04	(12.39)
Unclaimed Laibilities / Provisions no longer required written back	(10.04)	(10.28)
	<b>623.58</b>	<b>586.99</b>
Operating profit/(loss) before working capital changes	1,473.87	1,562.04
<b>Changes in Working Capital:</b>		
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	149.59	(18.76)
Non Current Provisions	(3.21)	(34.03)
Other Current Financial Liabilities	36.06	5.85
Current Provisions	(1.29)	25.09
Other Current Liabilities	(15.42)	22.81
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	(294.85)	28.98
Inventories	(145.72)	(26.54)
Other Non Current Financial Assets	2.29	(0.09)
Other Non Current Assets	1.63	1.30
Other Current Financial Assets	(3.83)	0.43
Other Current Assets	68.81	(16.55)
	(205.94)	(11.51)
Cash Generated from Operations	<b>1,267.93</b>	<b>1,550.53</b>
Net income tax paid	(295.90)	(303.72)
<b>Net Cash generated from Operating Activities (A)</b>	<b>972.03</b>	<b>1,246.81</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant and Equipments	(955.27)	(284.21)
Proceeds from disposal of Property, Plant and Equipments	16.78	2.68
Investment in Mutual Funds	(691.80)	(1,658.62)
Proceeds from disposal of Mutual Funds	425.57	650.63
Interest received from Bank	0.33	41.36
Proceeds from Fixed Deposit matured with Banks	205.00	450.00
Interest income on deposit	3.34	3.66
Dividend received from current investment	0.21	0.21
<b>Net Cash used in Investing Activities (B)</b>	<b>(995.84)</b>	<b>(794.29)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018 (contd...)

(₹ in Lacs)

Particulars	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	583.11	-
Repayment of Long Term Borrowings	(66.63)	(28.56)
Net (decrease) / increase in working capital borrowings	(309.97)	(249.64)
Interest Paid	(99.06)	(97.66)
Dividend Paid	(92.25)	(73.80)
Tax on Dividend Paid	(18.78)	(15.02)
<b>Net Cash generated from Financing Activities (C)</b>	<b>(3.58)</b>	<b>(464.68)</b>
<b>Net decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(27.39)</b>	<b>(12.16)</b>
Cash and Cash Equivalents at the beginning of the year	86.21	98.68
Effect of exchange rate changes on balance of foreign currency Cash and cash equivalents	0.36	(0.31)
<b>Cash and Cash Equivalents at the end of the year</b>	<b>59.18</b>	<b>86.21</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 13)	<b>71.75</b>	<b>232.51</b>
Less: Unpaid dividend Accounts	12.57	11.45
Less: Bank balances not considered as Cash and cash equivalents (as defined in Ind AS 7 Statements of Cash Flows)	-	134.85
Net Cash and cash equivalents (as defined in Ind AS 7 Statements of Cash Flows) included in Note 13	<b>59.18</b>	<b>86.21</b>
<b>Cash and cash equivalents at the end of the year comprises of</b>		
(a) Cash on hand	3.04	3.66
(b) Cheques/Drafts on hand	20.77	16.93
(c) Balances with Banks	35.37	65.62
(i) In Current Accounts	<b>59.18</b>	<b>86.21</b>

**Note :**

- The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- Cash and cash equivalents includes Rs. 12.57 Lacs (P.Y. 11.45 Lacs) in earmarked account balances with banks which can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached

**For and on behalf of the Board of Directors of  
Shilp Gravures Limited**

**For Deloitte Haskins & Sells**

Chartered Accountants

**Ambar J. Patel**

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**Kartikeya Raval**

Partner

**Amit Agrawal**

Chief Financial Officer

**Bharat Patel**

Company Secretary

Place : Ahmedabad

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

Place : Rakanpur

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

## NOTES TO FINANCIAL STATEMENTS

### 1. Corporate Information

Shilp Gravures Limited is a public limited company, incorporated in the year 1993 under the provisions of the Companies Act, 1956 having its registered office at 778/6, Pramukh Industrial Estate, Sola-Santej Road, Rakanpur, Tal. Kalol, Gandhinagar – 382 722, Gujarat, India. The Company has set up, the first gravure roller manufacturing house in India. The Company is engaged in engraving of rollers using three different engraving technologies i.e. electronic, laser and chemical etching. The engraved rollers are used in printing and packaging industries.

### 2. Statement of compliance and basis of preparation and presentation

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note - 4 for details of first time adoption exemptions availed by the Company.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3. Significant Accounting Policies

#### 3.1 Revenue recognition

Revenue from sale of goods and services is measured at the fair value of the consideration received or receivable, net of estimated customer returns, rebates and other similar allowances.

##### Sale of goods

Revenue from the sale of goods is recognised the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and it is probable that the economic benefits associated with the transaction will flow to the Company

##### Rendering of services

Revenue from rendering of services recognised when services are rendered and related cost are incurred.

##### Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis.

#### 3.2 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items



denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### **3.3 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **3.4 Employee benefits**

#### **Defined benefit plans**

The Company has an obligation towards a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on measurement is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognized in profit and loss in the period of a plan amendment.

#### **Defined Contribution plan**

The Company recognize contribution payable to a defined contribution plan as an expenses in the Statement of profit and loss when the employee render services to the Company during the reporting period.

#### **Compensated Absences**

Provisions for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

#### **Short term employee benefits:**

They are recognized at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

### **3.5 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantially enacted by end of reporting periods.

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.6 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

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

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land & properties under construction) less their residual values over their useful lives, as indicated in the Companies Act, 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 3.7 Impairment of tangible and intangible assets (other than goodwill)

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are not recognised but are disclosed in the notes.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

### 3.10 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3.11 Financial assets

#### Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value. In case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction costs are recognized in the Statement of Profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

#### Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as a FVTPL. Interest income is recognized in profit or loss and is included in the "Other Income" line item.

#### Classification of financial assets:

##### Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowances, if any.

##### Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal on the principal amount outstanding.

##### Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend Income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

#### Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- a) The contractual rights to cash flows from the financial assets expires,
- b) The company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- c) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- d) The Company neither transfer nor retains substantially all risk and rewards of ownership and does not retain control over the financial assets.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset; in that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

**Impairment of financial assets**

The Company applies expected credit losses (ECL) model for recognizing impairment loss on financial assets measured at amortized cost and trade receivables. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. For the purpose of measuring lifetime expected credit loss, for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes in to account historical credit loss experience and adjusted for forward looking information. For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if the credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expenses in the Statement of profit and loss under the head 'Other expense'.

**3.12 Financial liabilities and equity instruments**
**Debt and Equity Instruments:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instruments.

**Equity instruments:**

An equity instruments is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities, Equity instruments issued by the Company are recognised at the proceeds received, not of direct issue costs.

**Financial Liabilities:**
**Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Financial liabilities at FVTPL**

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

### **3.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **3.14 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### **3.15 Fair Value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorized into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or Liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorized at the end of each reporting period and discloses the same.

### **3.16 Earnings Per Share**

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for the effects of dividend interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

### **3.17 Significant accounting judgments, estimates and assumptions**

#### **Significant accounting judgements**

The application of the Company's accounting policies in the preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets

and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **(a) Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using ECL model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **(b) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **(c) Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognised in the financial statements. The policy for the same has been explained above in note 3.4.

## **4. First-time adoption – mandatory exceptions and optional exemptions**

The Company has adopted Ind AS from 1st April, 2017 and the date of transition to Ind AS is 1st April, 2016. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 – “First-time Adoption of Indian Accounting Standards”. The Company has presented a reconciliation of its equity under Previous GAAP to its equity under Ind AS as at 1st April, 2016 and 31st March, 2017 and of the total comprehensive income for the year ended 31st March, 2017 as required by Ind AS 101 in Note 49 to the financial statements.

Following are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### **(a) Deemed cost for property, plant and equipment**

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### **(b) Classification and measurements of financial assets**

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

#### **(c) Derecognition of financial assets and financial liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

#### **(d) Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**5. PROPERTY, PLANT AND EQUIPMENTS**

(₹ in Lacs)

Particulars	Tangible Assets							Total
	Freehold Land	Buildings	Plant and Machineries	Windmills	Furniture and Fixtures	Vehicles	Office Equipments and Computers	
<b>Deemed Cost</b>								
<b>As at April 1, 2016 (Refer note 4(a))</b>	<b>142.98</b>	<b>689.10</b>	<b>2,221.76</b>	<b>1,019.44</b>	<b>28.20</b>	<b>279.44</b>	<b>39.12</b>	<b>4,420.04</b>
Additions	-	4.37	191.70	-	4.81	6.06	80.65	287.59
Disposals	-	-	(17.16)	-	-	(4.70)	-	(21.86)
<b>As at March 31, 2017</b>	<b>142.98</b>	<b>693.47</b>	<b>2,396.30</b>	<b>1,019.44</b>	<b>33.01</b>	<b>280.80</b>	<b>119.77</b>	<b>4,685.77</b>
Additions	-	6.54	868.95	-	4.19	8.40	59.17	947.25
Disposals	-	-	-	-	-	(29.75)	-	(29.75)
<b>As at March 31, 2018</b>	<b>142.98</b>	<b>700.01</b>	<b>3,265.25</b>	<b>1,019.44</b>	<b>37.20</b>	<b>259.45</b>	<b>178.94</b>	<b>5,603.27</b>
<b>Accumulated Drepreciation</b>								
<b>As at April 1, 2016</b>	-	-	-	-	-	-	-	-
Depreciation for the year	-	(28.62)	(452.34)	(58.07)	(5.69)	(41.12)	(21.17)	(607.01)
Eliminated on Disposal of Assets	-	-	10.19	-	-	2.42	-	12.61
<b>As at March 31, 2017</b>	<b>-</b>	<b>(28.62)</b>	<b>(442.15)</b>	<b>(58.07)</b>	<b>(5.69)</b>	<b>(38.70)</b>	<b>(21.17)</b>	<b>(594.40)</b>
Depreciation for the year	-	(28.84)	(489.22)	(58.07)	(6.16)	(39.43)	(36.85)	(658.57)
Eliminated on Disposal of Assets	-	-	-	-	-	15.81	-	15.81
<b>As at March 31, 2018</b>	<b>-</b>	<b>(57.46)</b>	<b>(931.37)</b>	<b>(116.14)</b>	<b>(11.85)</b>	<b>(62.32)</b>	<b>(58.02)</b>	<b>(1,237.16)</b>
<b>Net Block</b>								
As at March 31, 2018	142.98	642.55	2,333.88	903.30	25.35	197.13	120.92	<b>4,366.11</b>
As at March 31, 2017	142.98	664.85	1,954.15	961.37	27.32	242.10	98.60	<b>4,091.37</b>
As at April 1, 2016	142.98	689.10	2,221.76	1,019.44	28.20	279.44	39.12	<b>4,420.04</b>

1. Plant and Machinery includes softwares being an integral part of plant and machinery
2. For charges created on the aforesaid assets, refer note-18.
3. Gross Block and Accumulated Depreciation as on 1st April, 2016 under previous GAAP.

Particulars	Tangible Assets							Total
	Freehold Land	Buildings	Plant and Machineries	Windmills	Furniture and Fixtures	Vehicles	Office Equipments and Computers	
Gross Block	142.98	933.46	7,677.44	1,381.18	159.76	332.01	570.25	11,197.08
Accumulated Depreciation	-	244.36	5,455.68	361.74	131.56	52.57	531.13	6,777.04

**6 CAPITAL WORK-IN PROGRESS**

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Opening Capital work-in-progress	25.87	9.48	7.04
Add: Addition during the year	562.17	130.08	118.44
Less: Capitalised during the year	559.50	113.69	116.00
<b>Closing Capital work-in-progress</b>	<b>28.54</b>	<b>25.87</b>	<b>9.48</b>

**7 OTHER NON - CURRENT FINANCIAL ASSETS**

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Security deposits	52.59	54.88	54.79
<b>Total</b>	<b>52.59</b>	<b>54.88</b>	<b>54.79</b>

The fair value of other non current financial assets is not materially different from carrying value presented.

**NOTES TO FINANCIAL STATEMENTS (Contd...)**
**8 NON - CURRENT TAX ASSETS (NET)**

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Advance income tax & TDS (Net of provision of Rs. 248.08 Lacs (Rs. 290.25 Lacs as at 31st March, 2017 & Rs. 266.13 Lacs as at 1st April 2016)	106.63	57.65	43.86
<b>Total</b>	<b>106.63</b>	<b>57.65</b>	<b>43.86</b>

**9 OTHER NON - CURRENT ASSETS**

(Unsecured and Considered Good)

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Advances for property, plant and equipment	5.00	14.19	-
Prepaid expenses	0.93	2.56	3.86
<b>Total</b>	<b>5.93</b>	<b>16.75</b>	<b>3.86</b>

**10 INVENTORIES**

(At lower of Cost or Net Realisable Value)

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Raw materials (Includes in transit Nil (Rs. 6.86 Lacs as at 31st March, 2017 & Nil as at 1st April, 2016)	349.83	260.71	242.06
Packing materials	4.16	2.64	2.57
Work-in-progress	200.69	152.91	139.56
Finished goods	5.76	4.63	6.97
Stores and spares	104.63	98.46	101.65
<b>Total</b>	<b>665.07</b>	<b>519.35</b>	<b>492.81</b>

Inventories of Rs. 665.07 Lacs (as at 31st March 2017: Rs. 519.35 Lacs and as at 1st April 2016: Rs. 492.81 Lacs) are hypothecated against working capital facilities from banks. (Refer note - 21)

**11 CURRENT INVESTMENTS**

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
<b>A Financial assets carried at fair value through profit or loss (FVTPL)</b>			
<b>Investments in Mutual Funds - (Quoted at market value) (refer note - 39)</b>			
ICICI - Focus Bluchip Equity Fund	27.99	2.55	7.46
Canara Robeco Balance - Regular Plan	199.60	151.71	-
ICICI - Prudential Balance Advance Fund	336.08	87.33	-
ICICI - Prudential Regular Income Fund	27.04	25.29	-
ICICI - Prudential Multi Cap Fund	244.65	231.56	-
Principal Balance Fund Growth	479.62	226.20	-
ICICI - Saving Fund R.P. Growth	302.81	502.81	152.81
	<b>1617.79</b>	<b>1227.45</b>	<b>160.27</b>
<b>B Financial assets carried at amortised cost</b>			
Investment in Equity Shares - (Unquoted at cost)			
Equity Shares of The Ahmedabad Mercantile Co-operative Bank Ltd.at Rs.50 each fully paid up	-	1.75	1.75
	-	<b>1.75</b>	<b>1.75</b>
<b>Total</b>	<b>1617.79</b>	<b>1229.20</b>	<b>162.02</b>



**NOTES TO FINANCIAL STATEMENTS (Contd...)**

**12 TRADE RECEIVABLES**

<b>PARTICULARS</b>	<b>AS AT 31ST MARCH, 2018 (Rs. in Lacs)</b>	<b>AS AT 31ST MARCH, 2017 (Rs. in Lacs)</b>	<b>AS AT 1ST APRIL, 2016 (Rs. in Lacs)</b>
Secured, considered good	-	-	-
Unsecured, considered good (refer note - 21 & 39)	1,565.96	1,270.21	1,303.61
Unsecured, considered doubtful	-	-	-
	1,565.96	1,270.21	1,303.61
Less: Allowance for unsecured doubtful debts (Expected Credit Loss Allowance)	(11.92)	(7.88)	(20.27)
<b>Total</b>	<b>1,554.04</b>	<b>1,262.33</b>	<b>1,283.34</b>

Note: The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The Provision matrix takes into account historical credit loss experience and adjusted for forward -looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting periods is as follow.

<b>Ageing</b>	<b>Expected Credit Loss %</b>
Within the credit preiods	0.19%
46-90 days	0.34%
91-180 days	0.72%
181-270 days	7.93%
271-360 days	16.09%
More than 360 days	25.00%

**Age of Receivables**

<b>PARTICULARS</b>	<b>AS AT 31ST MARCH, 2018 (Rs. in Lacs)</b>	<b>AS AT 31ST MARCH, 2017 (Rs. in Lacs)</b>	<b>AS AT 1ST APRIL, 2016 (Rs. in Lacs)</b>
Within the credit preiods	925.11	690.20	641.88
46-90 days	458.57	400.84	423.93
91-180 days	132.49	149.79	206.43
181-270 days	18.00	22.32	20.00
271-360 days	19.79	3.23	5.74
More than 360 days	12.00	3.83	5.63

**Movement in the expected credit loss allowances :**

<b>PARTICULARS</b>	<b>AS AT 31ST MARCH, 2018 (Rs. in Lacs)</b>	<b>AS AT 31ST MARCH, 2017 (Rs. in Lacs)</b>	<b>AS AT 1ST APRIL, 2016 (Rs. in Lacs)</b>
Balance at beginning of the year	7.88	20.27	20.27
Movement in expected credit loss allowance	4.04	(12.39)	-
Balance at end of the year	<b>11.92</b>	<b>7.88</b>	<b>20.27</b>

The fair value of trade receivables is not materiality different from carrying value presented.

**NOTES TO FINANCIAL STATEMENTS (Contd...)**
**13 CASH AND CASH EQUIVALENTS**

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
<b>(A) Cash and Cash Equivalents</b>			
Cash on hand (refer note - 39)	3.04	3.66	6.26
Cheques, drafts on hand	20.77	16.93	4.89
Balances with banks			
In Current accounts	35.37	65.62	87.53
<b>Total</b>	<b>59.18</b>	<b>86.21</b>	<b>98.68</b>
<b>(B) Other Balance with Bank</b>			
Balances held as margin money or security against borrowings (refer note (ii) below)	-	200.00	650.00
Less - Over draft from Banks	-	70.15	204.00
	-	<b>129.85</b>	<b>446.00</b>
Unpaid dividend accounts	12.57	11.45	12.20
Bank Deposits with more than 3 months, but below 12 months maturity	-	5.00	5.00
	<b>12.57</b>	<b>146.30</b>	<b>463.20</b>
<b>Total</b>	<b>71.75</b>	<b>232.51</b>	<b>561.88</b>
(i) Bank Deposit of Rs. NIL (as at 31st March 2017: Rs. 200 Lacs and as at 1st April 2016: Rs. 650 Lacs) out of other balance with bank, has been pledged with bank as a security against bank overdraft.			

**14 OTHER CURRENT FINANCIAL ASSETS**

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Security deposits	6.37	2.54	2.97
<b>Total</b>	<b>6.37</b>	<b>2.54</b>	<b>2.97</b>

The fair value of other current financial assets is not materially different from carrying value presented.

**15 OTHER CURRENT ASSETS**

(Unsecured, Considered good)

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Advance to suppliers	10.88	5.54	17.92
Prepaid expenses	17.62	36.16	21.14
Balance with government authority	0.85	43.48	29.85
Interest accrued on fixed deposit	-	14.07	13.01
Others	4.42	3.33	4.11
<b>Total</b>	<b>33.77</b>	<b>102.58</b>	<b>86.03</b>

**16 EQUITY SHARE CAPITAL**

PARTICULARS	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017		AS AT 1ST APRIL, 2016	
	(NUMBER)	(Rs. in Lacs)	(NUMBER)	(Rs. in Lacs)	(NUMBER)	(Rs. in Lacs)
<b>Authorised Share Capital:</b>						
Equity Shares of Rs.10 each with voting rights	65,00,000	650.00	65,00,000	650.00	65,00,000	650.00
<b>Issued, Subscribed and Paidup:</b>						
Equity Shares of Rs. 10 each fully paid up with voting rights	61,49,800	614.98	61,49,800	614.98	61,49,800	614.98
<b>Total</b>	<b>61,49,800</b>	<b>614.98</b>	<b>61,49,800</b>	<b>614.98</b>	<b>61,49,800</b>	<b>614.98</b>

**(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

PARTICULARS	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017		AS AT 1ST APRIL, 2016	
	(NUMBER)	(Rs. in Lacs)	(NUMBER)	(Rs. in Lacs)	(NUMBER)	(Rs. in Lacs)
Equity Shares with voting rights at the beginning of the year	61,49,800	614.98	61,49,800	614.98	61,49,800	614.98
Add: Issued during the year	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
Equity Shares with voting rights at the end of the year	<b>61,49,800</b>	<b>614.98</b>	<b>61,49,800</b>	<b>614.98</b>	<b>61,49,800</b>	<b>614.98</b>

**(ii) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2018, the amount of per share dividend proposed for distribution to equity shareholders was Rs.1.50 (31st March 2017: Rs.1.50).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Details of shareholders holding more than 5% shares in the Company**

NAME OF SHAREHOLDER	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017		AS AT 1ST APRIL, 2016	
	NO. OF SHARE HELD	% OF HOLDING	NO. OF SHARE HELD	% OF HOLDING	NO. OF SHARE HELD	% OF HOLDING
Vitthaladas H. Patel	7,89,902	12.84%	7,89,902	12.84%	7,89,902	12.84%
Hiraben V. Patel	9,80,538	15.94%	9,80,538	15.94%	9,66,576	15.72%
Roshan Harshvardhan Shah	3,13,404	5.10%	3,13,404	5.10%	3,13,404	5.10%
Gajanan Vaman Bhavsar	3,09,410	5.03%	3,09,410	5.03%	3,09,410	5.03%

**NOTES TO FINANCIAL STATEMENTS (Contd...)**
**17 OTHER EQUITY**

<b>PARTICULARS</b>	<b>AS AT 31ST MARCH, 2018</b> (Rs. in Lacs)	<b>AS AT 31ST MARCH, 2017</b> (Rs. in Lacs)	<b>AS AT 1ST APRIL, 2016</b> (Rs. in Lacs)
Capital Reserves	15.00	15.00	15.00
General Reserve	1,334.76	1,309.76	1,284.76
Retained Earning	4,003.30	3,439.27	2,852.16
<b>Total</b>	<b>5,353.06</b>	<b>4,764.03</b>	<b>4,151.92</b>
<b>Capital Reserves (refer below note -1)</b>			
Balance at beginning of year	15.00	15.00	15.00
Add : Addition during the year	-	-	-
<b>Balance at end of year</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>
<b>General Reserve (refer below note -2)</b>			
Balance at beginning of year	1,309.76	1,284.76	1,284.76
Add : Transfer from the surplus in Statement of Profit & Loss	25.00	25.00	-
<b>Balance at end of year</b>	<b>1,334.76</b>	<b>1,309.76</b>	<b>1,284.76</b>
<b>Retained Earning (refer below note -3)</b>			
Balance at beginning of year	3,439.27	2,852.16	2,852.16
Profit for the year	703.26	710.76	-
Other comprehensive income	(3.20)	(9.83)	-
Less: Appropriations:			
Payment of Dividend on Equity Shares	92.25	73.80	-
Tax on Dividend Paid	18.78	15.02	-
Transfer to General Reserve	25.00	25.00	-
<b>Balance at end of year</b>	<b>4,003.30</b>	<b>3,439.27</b>	<b>2,852.16</b>
<b>Total</b>	<b>5,353.06</b>	<b>4,764.03</b>	<b>4,151.92</b>

Note -

1. The above capital reserve pertains to Capital subsidy received of Rs. 15.00 lacs from Government of Gujarat in 1993 towards incentive for setting up plant in backward area and such subsidy can be use for purchase of capital assets.
2. The general reserve is used from time to time to transfer profits from retained earning for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
3. Retained Earning represent the amount that can be distributed by the Company as dividend, bonus etc. considering the requirements of the Companies Act, 2013. On 29th September, 2017, a dividend of Rs. 1.50 per share (total dividend of Rs. 92.25 Lacs) was paid to the holders of fully paid equity shares. In respect of year ended March 31, 2018, the directors propose that dividend of Rs. 1.50 per share be paid on fully paid equity shares. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liabilities in the financial statements. The total estimated equity dividend to be paid is Rs. 92.25 Lacs.



**NOTES TO FINANCIAL STATEMENTS (Contd...)**

**18 NON - CURRENT BORROWINGS**

<b>PARTICULARS</b>	<b>AS AT 31ST MARCH, 2018</b> (Rs. in Lacs)	<b>AS AT 31ST MARCH, 2017</b> (Rs. in Lacs)	<b>AS AT 1ST APRIL, 2016</b> (Rs. in Lacs)
Secured loans from Financial Institutions (refer note - i below)	-	106.41	138.36
Secured term loans from Bank (refer note - ii below) and (Refer note - 39)	446.02	-	-
<b>Total</b>	<b>446.02</b>	<b>106.41</b>	<b>138.36</b>
<b>Secured</b>			
(i) Hire purchase finance from the Daimler Financial Services India Private Limited for 5 Motor Cars amounting to Rs. 106.41 Lacs (as at 31st March 2017: Rs. 138.36 Lacs and as at 1st April 2016: Rs. 166.92 Lacs), out of which Rs. 106.41 Lacs (as at 31st March 2017: Rs. 31.95 Lacs and as at 1st April 2016: Rs. 28.56 Lacs) are classified as current maturity of long term debt, are secured by hypothecation of the Cars. (Refer note - 5)			
(ii) Loan from The HDFC Bank Limited amounting to Rs. 551.14 Lacs (as at 31st March 2017: Rs. NIL and as at 1st April 2016: Rs. NIL), out of which Rs. 102.41 Lacs (as at 31st March 2017: Rs. NIL and as at 1st April 2016: Rs. NIL) is classified as current maturity of long term. The loan is secured by exclusive charge over Immovable and Movable assets of the Company. Further, the loan was guaranteed by the personal guarantee of Mr. Amber Patel. (Refer note - 5)			
(iii) The terms of repayment of term loans and other loans are stated below.			
<b>PARTICULARS</b>	<b>AS AT 31ST MARCH, 2018</b> (Rs. in Lacs)	<b>AS AT 31ST MARCH, 2017</b> (Rs. in Lacs)	<b>AS AT 1ST APRIL, 2016</b> (Rs. in Lacs)
Vehicle term loans for 5 motor cars are secured by hypothecation of the said vehicles and carries interest 11.30% p.a. The loan is repayable in 36 monthly installment starting from 7th October 2015.	106.41	138.36	166.92
Term loan is secured by first and exclusive charge on existing & future moveble & immovable fixed assets of the Company and carries interest 8.65% p.a. The loan is repayable in 60 monthly installment starting from 7th November 2017.	551.14	-	-

**19 NON - CURRENT PROVISIONS**

<b>PARTICULARS</b>	<b>AS AT 31ST MARCH, 2018</b> (Rs. in Lacs)	<b>AS AT 31ST MARCH, 2017</b> (Rs. in Lacs)	<b>AS AT 1ST APRIL, 2016</b> (Rs. in Lacs)
<b>Provision for employee benefits</b>			
Provision for gratuity (refer note - 35)	103.86	94.37	101.73
Provision for compensated absences	13.17	21.44	33.42
<b>Total</b>	<b>117.03</b>	<b>115.81</b>	<b>135.15</b>

**20 DEFERRED TAX LIABILITIES (NET)**

<b>PARTICULARS</b>	<b>AS AT 31ST MARCH, 2018</b> (Rs. in Lacs)	<b>AS AT 31ST MARCH, 2017</b> (Rs. in Lacs)	<b>AS AT 1ST APRIL, 2016</b> (Rs. in Lacs)
<b>Deferred Tax Liabilities</b>			
Difference between provision of expenses allowed for tax purpose on payment basis	4.20	2.95	(18.19)
Difference between book and tax depreciation	360.58	461.00	530.06
	<b>364.78</b>	<b>463.95</b>	<b>511.87</b>
<b>Deferred Tax Asset</b>			
Disallowance under the Income Tax Act, 1961	(3.32)	(2.61)	(24.89)
Remeasurement benefit of the defined benefits plans through OCI	(6.09)	(4.86)	-
	<b>(9.41)</b>	<b>(7.47)</b>	<b>(24.89)</b>
<b>Net deferred tax liabilities</b>	<b>355.37</b>	<b>456.48</b>	<b>486.98</b>

## NOTES TO FINANCIAL STATEMENTS (Contd...)

The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:  
As at 31st March, 2018

PARTICULARS	OPENING BALANCE AS AT 1ST APRIL, 2017 (Rs. in Lacs)	RECOGNISED IN PROFIT AND LOSS (Rs. in Lacs)	RECOGNISED IN OCI (Rs. in Lacs)	CLOSING BALANCE AS AT 31ST MARCH, 2018 (Rs. in Lacs)
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961.	461.00	(100.42)	-	360.58
Provision of expenses allowed for tax purpose on payment basis	2.95	1.25	-	4.20
Allowances for doubtful debts and advances	(2.61)	(0.71)	-	(3.32)
Remeasurement benefit of the defined benefits plans through OCI	(4.86)	-	(1.23)	(6.09)
<b>Net Deferred tax liabilities</b>	<b>456.48</b>			<b>355.37</b>

As at 31st March, 2017

PARTICULARS	OPENING BALANCE AS AT 1ST APRIL, 2016 (Rs. in Lacs)	RECOGNISED IN PROFIT AND LOSS (Rs. in Lacs)	RECOGNISED IN OCI (Rs. in Lacs)	CLOSING BALANCE AS AT 31ST MARCH, 2017 (Rs. in Lacs)
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961.	511.87	(50.87)	-	461.00
Provision of expenses allowed for tax purpose on payment basis	(18.19)	21.14	-	2.95
Allowances for doubtful debts and advances	(6.70)	4.09	-	(2.61)
Remeasurement benefit of the defined benefits plans through OCI	-	-	(4.86)	(4.86)
<b>Net Deferred tax liabilities</b>	<b>486.98</b>			<b>456.48</b>

## 21 CURRENT BORROWINGS

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
<b>Secured Loans repayable on demand</b>			
Cash Credit from Banks (Refer below note)	404.95	644.77	760.56
<b>Total</b>	<b>404.95</b>	<b>644.77</b>	<b>760.56</b>

Note: Working capital loan from bank of Rs. 404.95 Lacs (as at 31st March 2017: Rs. 644.77 Lacs and as at 1st April 2016: Rs. 760.56 Lacs) is secured by present and future trade receivable, inventories of the Company and personal guarantee of Mr. Amber Patel. (Refer note no. 10 & 12)

## 22 TRADE PAYABLES

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Trade payables other than acceptances (refer note - 43)	797.49	658.09	687.40
<b>Total</b>	<b>797.49</b>	<b>658.09</b>	<b>687.40</b>

The fair value of trade payable is not materially different from carrying value presented.

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### 23 OTHER FINANCIAL LIABILITIES

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Current maturities of secured long-term debt (Refer note -18)	208.82	31.95	28.56
Interest accrued but not due	3.88	1.05	1.22
Unpaid dividends	12.57	11.45	12.20
Statutory liabilities	56.22	22.99	16.97
Payable on purchase of property, plant and equipment	55.47	67.58	35.24
<b>Total</b>	<b>336.96</b>	<b>135.02</b>	<b>94.19</b>

The fair value of other financial liabilities is not materially different from carrying value presented.

### 24 CURRENT PROVISIONS

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Provision for compensated absences	14.73	18.09	12.82
Provision for gratuity (refer note - 35)	21.89	19.82	-
<b>Total</b>	<b>36.62</b>	<b>37.91</b>	<b>12.82</b>

### 25 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Advances from customers	46.11	61.53	38.72
<b>Total</b>	<b>46.11</b>	<b>61.53</b>	<b>38.72</b>

### 26 REVENUE FROM OPERATIONS

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)
Sale of products - (including excise duty of Rs. 140.78 Lacs upto June 30 2017, for year ended March 31, 2017: Rs. 528.55 Lacs) (Refer note below)	4,602.32	4875.33
Sale of services	2,203.10	2035.59
Other operating revenue		
- Scrap Sales	94.60	78.02
- Export Incentives	4.05	3.84
<b>Total</b>	<b>6,904.07</b>	<b>6,992.78</b>
<b>Sales of products and services comprises of:</b>		
Manufactured goods		
- Engraved Copper Rollers	4,049.76	4016.93
- Printing Plates	397.17	318.19
- Others	14.61	11.66
	<b>4,461.54</b>	<b>4346.78</b>
Sale of services		
- Job work sales	2,203.10	2035.59
	<b>2,203.10</b>	<b>2035.59</b>

Note : According to the requirements of Ind AS, revenue for the corresponding previous year ended 31st March 2017 were reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from 1st July 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 18 "Revenue" from 1st July 2017 onward, is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative revenue of the Company would be as follows:

**NOTES TO FINANCIAL STATEMENTS (Contd...)**

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)
<b>Revenue from operations</b>		
Sale of products (Net of Excise Duty)	6,763.29	6,464.23

**27 OTHER INCOME**

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)
Interest income from banks	0.33	41.36
Interest income on deposit	3.34	3.66
Dividend income from current investments	0.21	0.21
Recovery of bad debts written off in earlier years	0.60	0.91
Rent income	0.21	2.11
Liabilities / Provisions no longer required written back	10.04	10.28
Gain on foreign exchange rate fluctuation (net)	-	4.46
Net gain on sale of current investments	24.43	40.36
Gain on disposal of Property, Plant and Equipments	2.83	-
Net gain arising on Investments measured at FVTPL (refer note - 49 (b)(a))	97.93	18.83
Miscellaneous income	0.18	1.88
<b>Total</b>	<b>140.10</b>	<b>124.06</b>

**28 COST OF RAW MATERIAL CONSUMED**

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)
Opening stock	260.71	242.06
Add : Purchases during the year	2,002.20	1659.86
	<b>2,262.91</b>	<b>1901.92</b>
Less : Closing Stock	349.83	260.71
<b>Cost of raw materials consumed</b>	<b>1,913.08</b>	<b>1641.21</b>
<b>Raw materials consumed comprises of:</b>		
M.S. rollers	76.62	95.87
M.S. pipe, plates and bars	887.21	780.62
Copper	652.58	514.82
Others	296.67	249.90
	<b>1,913.08</b>	<b>1,641.21</b>

**29 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)
<b>INVENTORIES AT THE BEGINNING OF THE YEAR</b>		
Finished goods of engraved rollers	4.63	7.74
Work-in-progress of engraved rollers	152.91	139.56
	<b>157.54</b>	<b>147.30</b>
<b>INVENTORIES AT THE END OF THE YEAR</b>		
Finished goods of engraved rollers	5.76	4.63
Work-in-progress of engraved rollers	200.69	152.91
	<b>206.45</b>	<b>157.54</b>
<b>CHANGE IN INVENTORIES</b>	<b>(48.91)</b>	<b>(10.24)</b>

**NOTES TO FINANCIAL STATEMENTS (Contd...)**
**30 EMPLOYEE BENEFITS EXPENSES**

<b>Particulars</b>	<b>YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)</b>	<b>YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)</b>
Salaries, wages and bonus	1,759.70	1,688.59
Contributions to provident and other funds (Refer note - 35(2))	69.40	68.39
Contributions to gratuity fund (Refer note - 35(1))	27.12	27.74
Staff welfare expenses	106.47	104.72
<b>Total</b>	<b>1,962.69</b>	<b>1,889.44</b>

**31 FINANCE COSTS**

<b>Particulars</b>	<b>YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)</b>	<b>YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)</b>
<b>Interest expense</b>		
On term loans	22.22	-
On working capital loans	56.94	76.50
On vehicles loans	13.75	17.25
	<b>92.91</b>	<b>93.75</b>
Other borrowing costs	6.15	3.91
<b>Total</b>	<b>99.06</b>	<b>97.66</b>

**32 OTHER EXPENSES**

<b>Particulars</b>	<b>YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)</b>	<b>YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)</b>
Consumption of stores and spare parts	427.63	400.25
Consumption of packing materials	98.96	90.93
(Decrease) / increase of excise duty on inventory	(0.46)	(0.31)
Power & fuel (Net of energy income Rs. 222.13 Lacs (P.Y. Rs. 236.55) from windmill)	197.11	143.72
Rent Expenses (Refer note - 36)	10.31	10.41
Repairs and maintenance	131.52	168.47
Factory expenses	47.37	42.38
Insurance premium	37.42	36.63
Rates & Taxes	0.46	0.46
Conveyance and travelling	78.27	71.58
Communication expenses	20.90	18.68
Printing and stationary	13.81	14.54
Freight and forwarding	101.97	107.18
Sales commision	54.57	54.43
Advertisement and business promotion	25.32	17.32
Selling expenses	31.92	34.12
Expenditure on corporate social responsibility (refer note - 47)	21.11	16.25
Donation	0.31	20.46
Legal consultancy and professional charges	112.05	87.97
Auditors' remuneration (refer note no. i below)	12.55	14.33
Computer expenses	11.50	11.79

**NOTES TO FINANCIAL STATEMENTS (Contd...)**
**32 OTHER EXPENSES (Contd...)**

<b>Particulars</b>	<b>YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)</b>	<b>YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)</b>
Bad debts written off	-	3.68
Excise Duty	140.78	528.55
Loss on disposal of Property, Plant and Equipments	-	6.57
Provision For Expected Credit Loss	4.04	(12.39)
Loss on foreign exchange rate fluctuation	4.76	-
Miscellaneous expenses	25.21	28.71
<b>Total</b>	<b>1,609.39</b>	<b>1,916.71</b>
<b>Note -(i) Auditors' Remuneration comprises of:</b>		
<b>As Auditor:</b>		
Statutory audit fees	11.50	13.24
Tax audit fees	0.75	0.75
<b>In other Capacity:</b>		
Certification fees	0.25	0.25
Reimbursement of expenses	0.05	0.09
<b>Total</b>	<b>12.55</b>	<b>14.33</b>

**33 INCOME TAX EXPENSES**

<b>Particulars</b>	<b>YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)</b>	<b>YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)</b>
<b>A. The major components of income tax expense for the year are as under :</b>		
<b>(i) Income tax recognized in the Statement of Profit and Loss:</b>		
<b>Current Tax :</b>		
In respect of current year	248.08	290.25
Adjustments in respect of previous year	(1.17)	(0.32)
<b>Deferred Tax :</b>		
In respect of current year	(99.88)	(25.64)
<b>Income Tax expense recognized in the Statement of Profit and Loss</b>	<b>147.03</b>	<b>264.29</b>
<b>(ii) Income Tax expense recognized in OCI</b>		
<b>Deferred Tax :</b>		
Remeasurement of defined benefits plan	(4.43)	(14.69)
Income Tax Expenses on Remeasurement of defined benefits plan	1.23	4.86
<b>Income tax expense recognized in OCI</b>	<b>(3.20)</b>	<b>(9.83)</b>
<b>B. Reconciliation of tax expense and the accounting profit for the year is as under:</b>		
Profit before tax	850.29	975.05
Income tax expense calculated at 33.063% (P.Y. 33.063%)	281.13	322.38
Tax effect on non-deductible expenses at 0.38% (P.Y. 1.60%)	3.25	13.58
Effect of Income that is exempted from tax at -8.21% (P.Y. -8.39%)	(69.85)	(71.35)
Effect of Deferred tax liabilities due to change in income tax rate at -7.80% (P.Y. NIL)	(66.33)	-
Adjustment in respect of current income tax of previous year at -0.14% (P.Y. 0.04%)	(1.17)	(0.32)
<b>Effective Tax Rate at 17.29% (P.Y. 27.10%)</b>	<b>147.03</b>	<b>264.29</b>

The tax rate used for reconciliation above is the corporate tax rate of 33.063% payable by corporate entities in India on taxable profits under Indian tax law. However, deferred tax is calculated at rate which enacted/substantially enacted as at March 31, 2018 & applicable w.e.f. FY 2018-19 @ 27.82%.

**34 EARNING PER SHARE (EPS)**

Particulars	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018 (Rs. in Lacs)	31st MARCH, 2017 (Rs. in Lacs)
<b>Basic and Diluted</b>		
Profit attributable to equity share holders (Rs. in Lacs)	700.06	700.93
Nominal Value of equity share (Rs./Share)	10	10
Weighted average number of ordinary equity share for Basic EPS (Nos.)	61,49,800	61,49,800
Basic and Diluted EPS (Rs./Share)	11.38	11.40

**35 EMPLOYEE BENEFITS**

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

**1. Defined Benefit Plans**
**I. Expenses recognized in the Statement of Profit and Loss and Other Comprehensive Income for the year:**

Particulars	Gratuity (Rs. in Lacs)	
	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
Current service cost	19.82	19.91
Interest Cost	7.30	7.83
<b>Amount recognised in profit and loss accounts (Refer note - 30)</b>	<b>27.12</b>	<b>27.74</b>
<b>Acturial (gain)/loss</b>		
a) arising from changes in financial assumption	(5.18)	9.74
b) arising from experience adjustments	13.53	5.78
Return on Plan assets excluded amount included in interest income	(3.92)	(0.83)
<b>Amount recognised in other comprehensive income</b>	<b>4.43</b>	<b>14.69</b>
<b>Total</b>	<b>31.55</b>	<b>42.43</b>

**II. Reconciliation of opening and closing balances of defined benefit obligation:**

Particulars	Gratuity (Rs. in Lacs)	
	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
Defined benefit obligation at beginning of the year	267.00	221.63
Current service cost	19.82	19.91
Interest cost	15.33	17.06
Actuarial losses (gains)	8.35	15.52
Benefits paid	(3.66)	(7.12)
<b>Defined benefit obligation at the end of the year</b>	<b>306.84</b>	<b>267.00</b>

**III. Reconciliation of Opening and Closing balances of fair value of plan assets:**

Particulars	Gratuity (Rs. in Lacs)	
	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
Fair value of plan assets at beginning of the year	152.81	119.90
Transfer in/(out) plan assets	-	4.98
Expected return on plan assets	8.03	9.23
Return on Plan assets excluded amount included in interest income	3.92	0.83
Contributions by employer	20.00	25.00
Benefits paid	(3.67)	(7.13)
<b>Fair value of plan assets at year end</b>	<b>181.09</b>	<b>152.81</b>

**IV. Investment details:**

Particulars	%invested as at YEAR ENDED 31st MARCH, 2018	%invested as at YEAR ENDED 31st MARCH, 2017
Investment with insurer (Investment in Policy of LIC)	100%	100%

**V. The Principal assumption used in determining gratuity obligations are as follows:**

Particulars	Gratuity (Rs. in Lacs)	
	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.35%	7.00%
Rate of escalation in salary (per annum)	6.00%	6.00%

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the Company to actuarial risks such as interest rate risk and salary risk.

- Interest risk: a decrease in the bond interest rate will increase the plan liability.
- Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

**VI. Sensitivity Analysis**

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity (Rs. in Lacs)	
	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
Impact in present value of defined benefit obligation:		
If discount rate is increased by 0.5%	(7.02)	(7.05)
If discount rate is decreased by 0.5%	7.47	7.49
If salary escalation rate is increased by 0.5%	7.53	7.34
If salary escalation rate is decreased by 0.5%	(7.14)	(6.96)
If withdrawal rate rate is increased by 10%	0.55	0.39
If withdrawal rate rate is decreased by 10%	(0.59)	(0.42)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**VII. Asset Liability Matching Strategies**

The Company has purchased insurance policy, which is basically a year-on year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance Company, as part of the policy rules, makes payment of all gratuity out goes happening during the year (subject to sufficiency of funds under the policy). The policy thus mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

**VIII. Effect of Plan on Entity's Future Cash Flows**

## (i) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

## (ii) Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is Rs. 21.89 Lacs.

**IX. Expected outflow in future years (as provided in actuarial report)**

Particulars	Gratuity (Rs. in Lacs)	
	YEAR ENDED 31st MARCH, 2018	YEAR ENDED 31st MARCH, 2017
Expected outflow in 1st Year	111.89	96.09
Expected outflow in 2nd Year	20.07	11.56
Expected outflow in 3rd Year	68.95	17.30
Expected outflow in 4th Year	13.64	59.95
Expected outflow in 5th Year	10.67	11.99
Expected outflow in 6th to 10th Year	78.40	61.78

**2. Defined Contribution Plans.**

Contribution of Defined Contribution Plan, recognized as expense for the year are as under:

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)
Employer's Contribution to Provident Fund	63.55	62.45
Employers' Contribution to Superannuation Fund	5.85	5.94
<b>Total</b>	<b>69.40</b>	<b>68.39</b>

**36 OPERATING LEASES ARRANGEMENTS**

The Company has taken immovable properties on non-cancellable operating lease and lease rent amounting to Rs. 10.31 Lacs (P.Y. Rs. 10.41 Lacs) has been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

PARTICULARS	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)	YEAR ENDED 1st APRIL, 2016 (Rs. in Lacs)
Not later than 1 year	5.23	5.31	6.35

**37 CAPITAL AND OTHER COMMITMENTS**

PARTICULARS	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)	YEAR ENDED 1st APRIL, 2016 (Rs. in Lacs)
Estimated amount of contracts remaining to be executed on capital accounts not provided for	25.25	-	16.76

**NOTES TO FINANCIAL STATEMENTS (Contd...)**
**38 CONTINGENT LIABILITIES**

PARTICULARS	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017	1st APRIL, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Disputed demand of income tax against which the Company has preferred appeal	73.12	29.30	56.02
Disputed amount of service tax credit where company has gone to Commissioner Appeals of Custom Excise and Service Tax	-	7.68	1.42
Disputed amount of service tax credit where reply of show cause notice has been filed to superintendent	-	2.28	7.68
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities			

**39 FINANCIAL INSTRUMENTS**
**(i) Capital management**

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of Capital and the risks associated with each class of capital.

The net debt to equity ratio at the end of the reporting period was as follows:

PARTICULARS	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017	1st APRIL, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Non-current borrowings (refer note 18)	446.02	106.41	138.36
Current maturities of non-current borrowings (refer note 23)	208.82	31.95	28.56
Current borrowings (refer note 21)	404.95	644.77	760.56
Interest accrued but not due on borrowings (refer note 23)	3.88	1.05	1.22
<b>Total Debt</b>	<b>1,063.67</b>	<b>784.18</b>	<b>928.70</b>
Less : Cash and bank balances (refer note 13)	59.18	221.06	549.68
<b>Net Debt</b>	<b>1,004.49</b>	<b>563.12</b>	<b>379.02</b>
Equity (refer note 16 and 17)	5,968.04	5,379.01	4,766.90
<b>Net debt to equity ratio</b>	<b>16.83%</b>	<b>10.47%</b>	<b>7.95%</b>

**(ii) Categories of Financial Instruments**

PARTICULARS	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017	1st APRIL, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
<b>(A) Financial assets</b>			
<b>Measured at cost</b>			
Investment in Equity Shares of The Ahmedabad Mercantile Co-operative Bank Ltd.	-	1.75	1.75
<b>Measured at fair value through profit or loss (FVTPL)</b>			
<b>Mandatorily measured as at FVTPL</b>			
(a) Investments in mutual funds	1,617.79	1,227.45	160.27

PARTICULARS	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017	1st APRIL, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
<b>Measured at amortised cost</b>			
(a) Cash and bank balances	71.75	232.51	561.88
(b) Trade receivables	1,554.04	1,262.33	1,283.34
(c) Other non - current financial assets	52.59	54.88	54.79
(d) Other current financial assets	6.37	2.54	2.97
<b>(B) Financial liabilities</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>	-	-	-
<b>Measured at amortised cost</b>			
(a) Non - current Borrowings	446.02	106.41	138.36
(b) Current Borrowings	404.95	644.77	760.56
(c) Trade Payables	797.49	658.09	687.40
(d) Other Financial liabilities	336.96	135.02	94.19
<b>Measured at fair value through other comprehensive income (FCTOCI)</b>	-	-	-

The Carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

### (iii) Financial risk management objective

The Company's financial liabilities comprise mainly of borrowing, trade payables and other payables. The Company's financial assets comprise mainly of investments in mutual funds, cash and cash equivalent, other balance with banks, loans, trade receivable and other receivable. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

### (iv) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other risk. Financial instruments affected by market risk includes borrowings, investments, trade payable, trade receivable, loans and advances.

#### a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

The sensitivity analysis has been carried out based on the exposure to interest rates on long term borrowings. The said analysis has been carried on the amount of floating rate long term liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points on the exposure of Rs. 551.14 Lacs as on 31st March, 2018 and Rs. Nil as on 31st March, 2017 and all other variables were held constant, the Company's profit for the year would increase or decrease as follows.

Particulars	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017
	(Rs. in Lacs)	(Rs. in Lacs)
Impact on Profit or Loss for the year	2.76	-

#### b) Foreign Currency Risk

Foreign Currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amount of the Company's Foreign Currency denominated monetary items are as follows;

PARTICULARS	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017	1st APRIL, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
<b>Liabilities</b>			
USD	32.78	1.24	2.91
EURO	19.39	49.89	5.93
CHF	6.54	5.33	6.56
<b>Assets</b>			
USD	27.32	49.65	14.47
EURO	7.93	2.63	1.20
CHF	0.21	0.17	0.19
Others	0.36	0.31	0.53

#### Foreign Currency sensitivity analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar, CHF and Euro.

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes receivables and payable in currency other than the functional currency of the Company.

A 10% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss with a corresponding increase in total equity at the end of the reporting period. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

#### Analysis of 10% strengthening of the INR

PARTICULARS	USD Impact (net of tax)		
	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017	1st APRIL, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Impact on profit or loss for the year	(0.88)	4.51	0.83

PARTICULARS	EURO Impact (net of tax)		
	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017	1st APRIL, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Impact on profit or loss for the year	(1.48)	(5.06)	(0.80)

PARTICULARS	CHF Impact (net of tax)		
	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31st MARCH, 2018	31st MARCH, 2017	1st APRIL, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Impact on profit or loss for the year	(0.96)	(0.85)	(0.97)

#### c) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The Company does not have investment in equity instruments as on 31st March 2018. The Company is exposed to price risk arising mainly from investment in equity and liquid based mutual fund. The carrying value of such mutual funds recognised at FVTPL amount to Rs. 1617.79 Lacs as at 31st March, 2018 (Rs. 1229.20 Lacs as at 31st March, 2017 and Rs. 162.02 Lacs as at 1st April 2016). The details of such instruments are given in Note 11.

If the NAV has been higher/lower by 10% from the market NAV existing as at 31st March, 2018, the income from other source for the year ended 31st March 2018 would increase/decrease by Rs. 161.78 Lacs (for 2016-17 Rs. 122.74 Lacs, 2015-16 Rs. 16.02 Lacs) with a corresponding increase/decrease in total equity of the Company as at 31st March, 2018. 10% represents management's assessment of reasonably possible changes in NAV of mutual funds.

**V Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

**(a) Trade receivables management**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The Provision matrix takes into account historical credit loss experience and adjusted for forward -looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

**b) Other financial assets**

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the various credit rating agencies and investment in mutual funds are equity and liquid fund.

**VI Liquidity Risk**

The following table provides detail the derivative as well as non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total
<b>As at 31st March 2018</b>				
Borrowings (Refer Note 18 and 21)	613.77	446.02	-	1,059.79
Trade Payables (Refer Note 22)	797.49	-	-	797.49
Other Financial Liabilities (Refer Note 23)	336.96	-	-	336.96
<b>As at 31st March 2017</b>				
Borrowings (Refer Note 18 and 21)	676.72	106.41	-	783.13
Trade Payables (Refer Note 22)	658.09	-	-	658.09
Other Financial Liabilities (Refer Note 23)	135.02	-	-	135.02
<b>As at 1st April 2016</b>				
Borrowings (Refer Note 18 and 21)	789.12	138.36	-	927.48
Trade Payables (Refer Note 22)	687.40	-	-	687.40
Other Financial Liabilities (Refer Note 23)	94.19	-	-	94.19

**40 RELATED PARTY DISCLOSURES**
**a) Related parties and their relationship**

Name of the related party	Nature of Relationship
Mr. Ambar J. Patel Mr. Roshan Shah Mr. G.V. Bhavsar Mr. Narendra Patil Mr. Atul Vinchhi	Key Management Personnel
Mr. Nipam Rameshchndra Shah Mrs. Monica Hemal Kanuga	Non - Executive Directors
Shilp Ultra-tech Private Limited Stylus Infrastructure Private Limited Carol Enterprise	Entity controlled by one or more Key Management Personnel
Mr. Deval A. Patel Mr. Siddharth N. Patil Mr. Rachit Bhavsar Mrs. Madhuri A. Vinchhi	Relative of Key Management Personnel

**b) Details of related party transactions during the year ended March 31, 2018 and balances outstanding as at March 31, 2018**
**(i) Compensation of key management personnel of the Company:**

Name of the related party	Amount (Rs. in Lacs)	Outstanding balance as at 31st March, 2018 (Rs. in Lacs)
Short-term employee benefits	404.85 (356.46)	65.38 (60.26)
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
<b>Total compensation paid to key management personnel</b>	<b>404.85 (356.46)</b>	<b>65.38 (60.26)</b>

Key managerial personnel and their relatives who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amount provided on the basis of actuarial valuation, the same is not included above.

**(ii) Disclosure in respect of material transactions with related parties during the year:**

Name of the related party	Nature of transactions	Amount (Rs. in Lacs)	Outstanding balance as at 31st March, 2018 (Rs. in Lacs)
Mr. Ambar J. Patel	Dividend Paid	3.66 (2.93)	- -
Mr. Roshan Shah	Dividend Paid	4.70 (3.76)	- -
Mr. G.V. Bhavsar	Dividend Paid	4.64 (3.71)	- -
Mr. Narendra Patil	Dividend Paid	2.74 (2.19)	- -
Mr. Atul Vinchhi	Dividend Paid	4.34 (3.47)	- -
Mr. Nipam Rameshchandra Shah	Sitting Fee	1.15 (1.65)	- -
Mrs. Monica Hemal Kanuga	Sitting Fee	0.95 (0.70)	- -

Figures in bracket represents previous year data.

**41 SEGMENT REPORTING**

The Chief Operating Decision maker monitors the operating results of its business segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on the profit or loss and its measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of products / services and have been identified as per the quantitative criteria specified in the Ind AS 108.

The Company has identified three reportable segments viz (i) manufacture of engraved copper rollers and (ii) energy generation through wind mill and (iii) Others

**NOTES TO FINANCIAL STATEMENTS (Contd...)**

Disclosures required under Ind AS 108 – Operating Segments are as under:

**Summary of Segmental Informations as at end of the year 31st March, 2018 as follows:**

Particulars	Engraved Copper Roller (Rs. in lacs)	Wind Mill (Rs. in lacs)	Others (Rs. in lacs)	Total (Rs. in lacs)
External Sales	<b>6,490.97</b> (6,632.50)	<b>222.13</b> (236.55)	<b>413.10</b> (360.28)	<b>7,126.20</b> (7,229.33)
Revenue	<b>6,490.97</b> (6,632.50)	<b>222.13</b> (236.55)	<b>413.10</b> (360.28)	<b>7,126.20</b> (7,229.33)
Less: Inter segment Revenue		<b>222.13</b> (236.55)		<b>222.13</b> (236.55)
Total Revenue	<b>6,490.97</b> (6,632.50)	-	<b>413.10</b> (360.28)	<b>6,904.07</b> (6,992.78)
Segment results	<b>604.92</b> (783.78)	<b>108.35</b> (125.60)	<b>95.98</b> (39.27)	<b>809.25</b> (948.65)
Finance Cost	<b>99.06</b> (97.66)	-		<b>99.06</b> (97.66)
Operating income				<b>710.19</b> (850.99)
Other income (net)				<b>140.10</b> (124.06)
Profit before taxes				<b>850.29</b> (975.05)
Tax expense				<b>147.03</b> (264.29)
Profit for the year				<b>703.26</b> (710.76)
Other Comprehensive Income				<b>3.20</b> (9.83)
Total Comprehensive Income for the year				<b>700.06</b> (700.93)
Other information				
Depreciation and amortisation (allocable)	<b>557.40</b> (510.94)	<b>58.07</b> (58.07)	<b>43.09</b> (38.00)	<b>658.57</b> (607.01)

	AS AT 31ST MARCH, 2018 (Rs. in Lacs)	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
<b>Segment Assets and Liabilities:</b>			
<b>Segment Assets:</b>			
a) Gravure Rollers	4,347.19	3,648.00	3,636.81
b) Wind Energy	918.77	991.06	1,041.37
c) Others	511.87	288.49	274.50
<b>Total Segment Assets</b>	<b>5,777.83</b>	<b>4,927.55</b>	<b>4,952.68</b>
d) Unallocated	2,730.76	2,667.48	2,168.40
<b>Total Assets</b>	<b>8,508.59</b>	<b>7,595.03</b>	<b>7,121.08</b>
<b>Segment Liabilities:</b>			
a) Gravure Rollers	1,144.36	795.77	777.02
b) Wind Energy	5.28	18.02	3.03
c) Others	67.54	40.41	26.89
<b>Total Segment Liabilities</b>	<b>1,217.18</b>	<b>854.20</b>	<b>806.94</b>
d) Unallocated	1,323.37	1,361.82	1,547.24
<b>Total Liabilities</b>	<b>2,540.55</b>	<b>2,216.02</b>	<b>2,354.18</b>

**Information about major customers**

There are no transaction with single external customers which amongst to 10% or more of the Company revenue.

**NOTES TO FINANCIAL STATEMENTS (Contd...)**
**42 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES**

The year end foreign currency exposures that have not been hedged by any derivative instrument or otherwise are as under:

Particulars		Foreign Currency	Indian Currency Equivalent (Rs. in Lacs)
Amounts receivable in foreign currency	<b>AS AT 31ST MARCH, 2018</b>	<b>USD 41435.10</b>	<b>27.01</b>
		<b>EURO 5393.00</b>	<b>4.36</b>
	AS AT 31ST MARCH, 2017	USD 76068.20	49.33
	AS AT 31ST MARCH, 2016	USD 21240.61	14.07
Amounts payable in foreign currency	<b>AS AT 31ST MARCH, 2018</b>	<b>USD 50296.97</b>	<b>32.78</b>
		<b>EURO 24000.00</b>	<b>19.39</b>
		<b>CHF 9552.15</b>	<b>6.54</b>
	AS AT 31ST MARCH, 2017	USD 1910.00	1.24
		EURO 72000.00	49.89
		CHF 8218.3	5.33
	AS AT 31ST MARCH, 2016	USD 4400.00	2.91
		EURO 7858.75	5.93
		CHF 9508.25	6.56

**43 DISCLOSURES UNDER THE MSMED ACT, 2006**

In the absence of any information from vendors regarding the status of their registration under the "Micro Small and Medium Enterprise Development Act 2006" the company is unable to comply with the disclosures required to be made under the said Act.

**44 EXPENDITURE IN FOREIGN CURRENCY**

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Traveling expenses	8.22	10.55	9.56
Advertisement & business promotion	1.65	12.48	0.11
Repairs and maintenance	0.72	0.60	0.79
<b>Total</b>	<b>10.59</b>	<b>23.63</b>	<b>10.46</b>

**45 EARNINGS IN FOREIGN CURRENCY**

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
F.O.B. Value – Sales	149.24	181.91	170.91

**46 REMITTANCE ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS**
**(i) Remitted in Foreign Currency**

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Year to which Dividend relates	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Amount of Dividend remitted (Rs. In Lacs)	3.62	2.67	2.79
Number of Non-Resident Shareholders to whom remittance was made	23	21	23
Number of Shares held on which Dividend was due and remitted	2,41,400	2,22,400	2,33,200
Face Value of each share(Rs.10 each)	10	10	10

**NOTES TO FINANCIAL STATEMENTS (Contd...)**
**(ii) Remitted to their Banks in India**

Particulars	YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs)	YEAR ENDED 31st MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
Year to which Dividend relates	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>
Amount of Dividend remitted (Rs. In Lacs)	0.38	0.36	0.78
Number of Non-Resident Shareholders to whom remittance was made	43	29	19
Number of Shares held on which Dividend was due and remitted	25,521	30,411	65,560
Face Value of each share(Rs.10 each)	10	10	10

**47 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE**

As per section 135 of Companies Act, 2013, a Company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. These all CSR activities are eradication on hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The fund were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

**For FY 2017-18**

Sector Activity Identified	CSR Project	Implementing Agency and Location	Rs. in Lacs (Paid in cash)	Yet to be paid	Total
Hospital / Rural Healthcare	Contribution for Medical Relief Project	Dardionu Rahat Fund, Ahmedabad, Gujarat	3.00	-	3.00
Hospital / Rural Healthcare	Contribution for Medical Relief Project	Indian Renal Foundation	2.00	-	2.00
Skill Development	Contribution for Skill Development	Sarva Vidyalaya Kelavani Mandal	15.00	-	15.00
Hospital / Rural Healthcare	Contribution for Medical Relief Project	Shree Jivdaya Mungapashu Manav rahat Trust	0.11	-	0.11
Hospital / Rural Healthcare	Contribution for Medical Relief Project	Gujarat Chamber of Commerce & Industry Silver Jubilee Charitable Trust	1.00	-	1.00
<b>Total</b>			<b>21.11</b>	<b>-</b>	<b>21.11</b>

**For FY 2016-17**

Sector Activity Identified	CSR Project	Implementing Agency and Location	Rs. in Lacs (Paid in cash)	Yet to be paid	Total
Hospital / Rural Healthcare	Contribution for Medical Relief Project	Dardionu Rahat Fund, Ahmedabad, Gujarat	3.00	-	3.00
Hospital / Rural Healthcare	Contribution for Medical Relief Project	Indian Renal Foundation	1.00	-	1.00
Skill Development	Contribution for Skill Development	Sarva Vidyalaya Kelavani Mandal	10.00	-	10.00
Hospital / Rural Healthcare	Contribution for Medical Relief Project	Health & Care Foundation	1.50	-	1.50
	Contribution for Medical Relief	HelpAge India	0.24	-	0.24
Hospital / Rural Healthcare	Contribution for Medical Relief Project	Thakershy	0.51	-	0.51
<b>Total</b>			<b>16.25</b>	<b>-</b>	<b>16.25</b>

NOTES TO FINANCIAL STATEMENTS (Contd...)

4.8 FAIR VALUE MEASUREMENTS

Financial assets	Fair Value hierarchy			
	Fair Value	Quoted prices in active markets (Level I)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at 31st March, 2018</b>				
<b>Financial assets measured at fair value through profit or loss</b>				
Investments in quoted mutual funds (Refer Note 11)	1617.79	1617.79	-	-
<b>As at 31st March, 2017</b>				
<b>Financial assets measured at fair value through profit or loss</b>				
Investments in quoted mutual funds (Refer Note 11)	1227.45	1227.45	-	-
<b>As at 1st April, 2016</b>				
<b>Financial assets measured at fair value through profit or loss</b>				
Investments in quoted mutual funds (Refer Note 11)	160.27	160.27	-	-

NOTE 49 - FIRST TIME IND AS ADOPTION RECONCILIATIONS

49(a) Reconciliation of total equity reported under Indian GAAP and as per Ind AS:

PARTICULARS	NOTES	AS AT 31ST MARCH, 2017 (Rs. in Lacs)	AS AT 1ST APRIL, 2016 (Rs. in Lacs)
<b>Total equity as reported under Indian GAAP</b>		5,357.88	4,684.08
Increased in fair Value of Investments recorded as per fair value though P&L	a	26.40	7.57
Provisions for Dividend distribution & tax thereon	c	-	88.82
Expected Credit Loss on trade Receivables	b	(7.88)	(20.27)
Deferred Tax Adjustments	e	2.61	6.70
<b>Total equity as reported under Ind AS</b>		<b>5,379.01</b>	<b>4,766.90</b>

49 (b) Reconciliation of net profit after tax (PAT) under Ind AS and PAT reported under previous Indian GAAP (IGAAP) -

PARTICULARS	NOTES	AS AT 31ST MARCH, 2017 (Rs. in Lacs)
<b>Net Profit after tax as per previous GAAP</b>		673.81
Gain on fair valuation of Investments	a	18.83
Reclassification of net actuarial gain on employee defined benefit obligations to OCI	d	14.69
Expected Credit Loss on trade Receivables	b	12.39
Deferred Tax Adjustments		(8.96)
<b>Net Profit after tax (before OCI) as per Ind AS</b>		<b>710.76</b>

a) Current Investment

In the financial statements prepared under previous GAAP, current investments of the Company were measured at lower of cost and fair value. Under Ind AS, these investments have been classified as FVTPL. The fair value changes are recognized in the Statement of Profit and Loss.

On the date of transition to Ind AS as at 1st April 2016, the difference between the fair value of current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs 7.57 Lacs with corresponding increased in the retained earnings.

## NOTES TO FINANCIAL STATEMENTS (Contd...)

As on 31st March, 2017, the fair value of current investment has been increased by 26.40 Lacs.

During the year ended 31st March 2017, net gain amounting to Rs.18.83 Lacs on such fair valuation is recognized in the Statement of Profit and Loss as other income.

### b) Expected Credit Loss

Under previous GAAP, the Company used to create provision for receivables only in respect of specific amount for doubtful receivables. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL).

Consequent to this change, on the date of transition to Ind AS, allowance for ECL of Rs. 20.27 Lacs is recognized with corresponding reduction in the retained earnings by Rs. 13.57 Lacs and deferred tax liabilities by Rs. 6.70 Lacs.

The amount of allowances for ECL recognized as at 31st March 2017 is Rs. 7.88 Lacs.

### c) Short Term Provisions

As per IND AS 10 "Events After Reporting Period", the proposed dividend is required to be recognized in the period in which it is declared. However, as per Indian GAAP, the same was required to be recognized in the period in which it was related. So the Company has reversed the proposed dividend of Rs. 73.80 Lacs and tax thereon of Rs. 15.02 Lacs for the Financial Year 2015-16 since the same was approved by the shareholders on 23rd September, 2016, and the same was paid on 29th September, 2016.

### d) Remeasurement of defined benefit plan

In the financial statements prepared under previous GAAP, remeasurement of defined benefit plans and assets (gratuity), arising due to change in actuarial assumptions was recognized as employee benefits expense in the Statement of Profit and Loss, Under Ind AS, such remeasurement benefits relating to defined benefit plans and assets is recognized in OCI as per the requirements of Ind AS 19 – Employees benefits. Consequently, the related tax effect of the same has also been recognized in OCI.

For the year ended 31st March 2017, remeasurement of gratuity liability resulted in net benefit of Rs. 14.69 Lacs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognized separately in OCI. And recognised deferred tax assets thereon by Rs. 4.86 Lacs

### e) Deferred tax

In the financial statements prepared under previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base.

The transitional adjustments as described in the preceding paragraphs have led to temporary differences and creation of deferred tax thereon.

This has resulted in creation of net deferred tax asset of Rs. 6.70 Lacs as at date of transition to Ind AS with a corresponding decrease in retained earnings and reduction in the amount of deferred tax asset in the Balance Sheet.

For the year ended 31st March 2017, it has resulted in decrease in deferred tax expense by Rs. 2.61 Lacs in the Statement of Profit and Loss and increase in deferred tax expense of Rs. 2.61 Lacs.

## NOTE 50 - STANDARDS ISSUED BUT NOT EFFECTIVE

The Ministry of Corporate Affairs ("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board (IASB) into Ind AS and has amended the following standards:

1. Ind AS 115-Revenue from contract with customers
2. Ind AS 21-The effect of changes in foreign exchanges rates
3. Ind AS 12-Income taxes

These amendments are effective for annual periods beginning on or after April 01, 2018.

The company is identifying and evaluating the key impact of the aforesaid amendments.

## NOTE 51 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on April 28, 2018.

**For and on behalf of the Board of Directors of  
Shilp Gravures Limited**

**Ambar J. Patel**  
Managing Director (DIN No. - 00050042)

**Shailesh C Desai**  
Director (DIN No. - 00169595)

**Amit Agrawal**  
Chief Financial Officer

**Bharat Patel**  
Company Secretary

Place : Rakanpur  
Date : 28<sup>th</sup> April, 2018

**SHILP GRAVURES LIMITED**

(CIN: L27100GJ1993PLC020552)

**ATTENDANCE SLIP**

Registered Office: 778/6, Pramukh Industrial Estate, Village: Rakanpur, Taluka: Kalol, Dist. Gandhinagar – 382 722, Gujarat, India  
Email: admin@shilpgravures.com, Website: www.shilpgravures.com  
Phone: 02764 – 286323/24, Fax: 02764 – 286335

**PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL***(Joint shareholders may obtain additional slip at the venue of the meeting)*

<b>DP ID*</b>		<b>Folio No.</b>	
<b>Client ID*</b>		<b>No. of Shares</b>	

Name of the Shareholder(s) / Proxy # : \_\_\_\_\_

Address of the Shareholder(s) / Proxy # : \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

I hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the Company held on Saturday, 14<sup>th</sup> July, 2018, at 04:00 p.m. at the registered office of the Company.

\_\_\_\_\_  
Signature of Shareholder/ proxy#**Notes:**

1. Shareholders are requested to bring their copies of Annual Report at the AGM.
2. \* Applicable for investors holding shares in electronic form.
3. # Please strike off, whichever is not applicable.



## SHILP GRAVURES LIMITED

(CIN: L27100GJ1993PLC020552)

**PROXY FORM**

Registered Office: 778/6, Pramukh Industrial Estate, Village: Rakanpur, Taluka: Kalol, Dist. Gandhinagar – 382 722, Gujarat, India  
 Email: admin@shilpgravures.com, Website: www.shilpgravures.com  
 Phone: 02764 – 286323/24, Fax: 02764 – 286335

Name of the Member (s) :	:
Registered Address :	:
E-mail ID :	:
Folio No/ Client ID :	:
DP ID :	:

I/ We being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her;
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her;
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 14<sup>th</sup> July, 2018 at the Registered Office of the Company and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Audited Financial Statements and Reports thereof for the financial year ended 31st March, 2018.		
2.	Declaration of dividend of the Equity Shares of the Company for the year 2017-18.		
3.	Re-appointment of Mrs. Monika Kanuga (DIN: 06919996) as a Director, who retires by rotation.		
4.	Appointment of the M/s. Shah & Shah Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.		
	<b>SPECIAL BUSINESS</b>		
5.	Re-appointment of Mr. Ambar Patel (DIN: 00050042) as a Managing Director.		
6.	Transaction with Related Party u/s 188 of the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

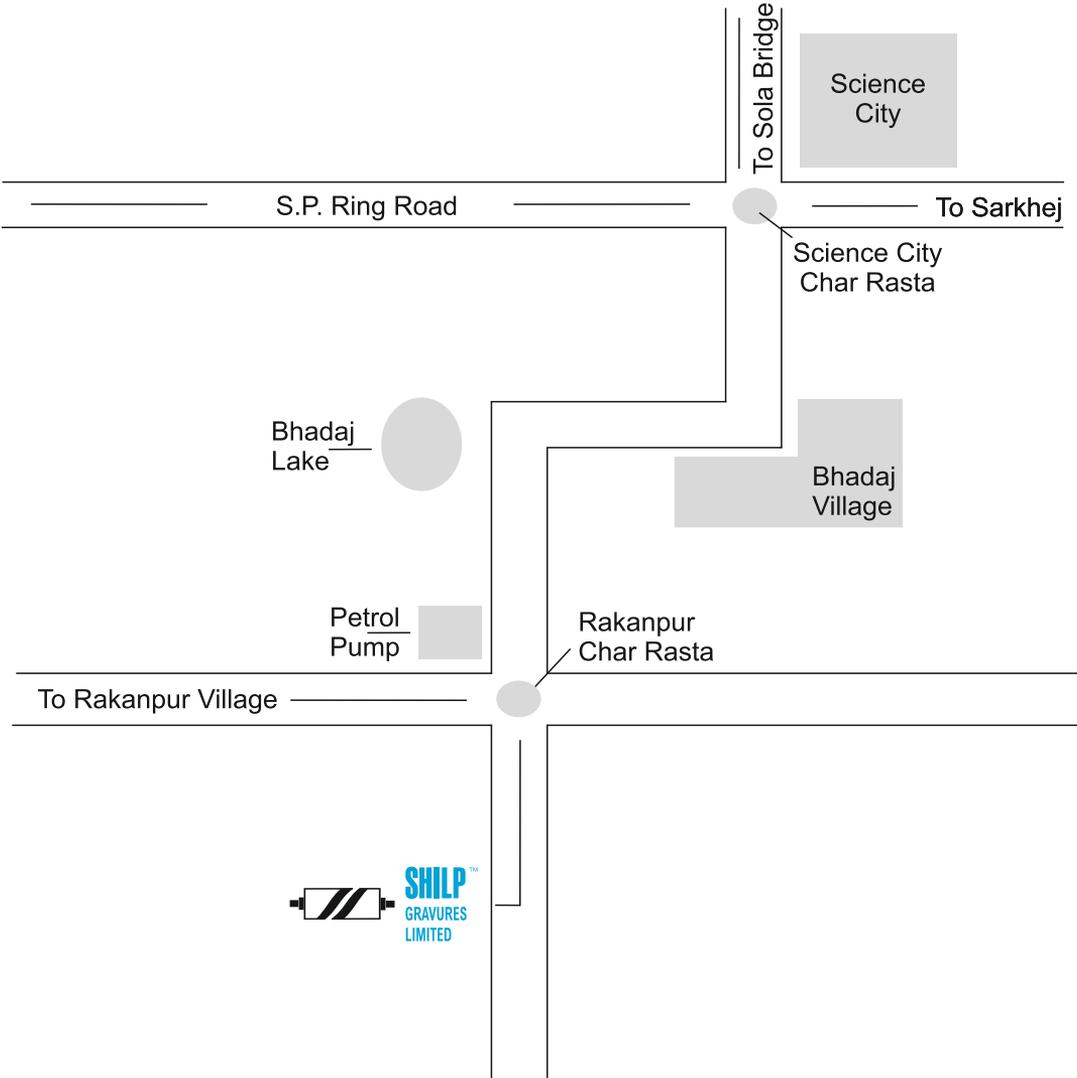
\_\_\_\_\_  
 Signature of the Shareholder

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Affix  
 1/-  
 Rupee  
 Revenue  
 Stamp

(Signatuer of Proxy Holder(s))

# ROUTE MAP TO THE AGM VENUE



# COMPLETE CROSS-SECTION OF THE GRAVURE INDUSTRY



**Flexible Packaging**



**Anilox Rollers**



**Flexo Plates for Packaging**



**PVC Flooring**



**Security Printing**



**PVC Flooring**



**Artificial Leather**



**KODAK – Flexcel NX 5080**



**ESKO – CDI – SPARK 4260**



**Transfer Printing**



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