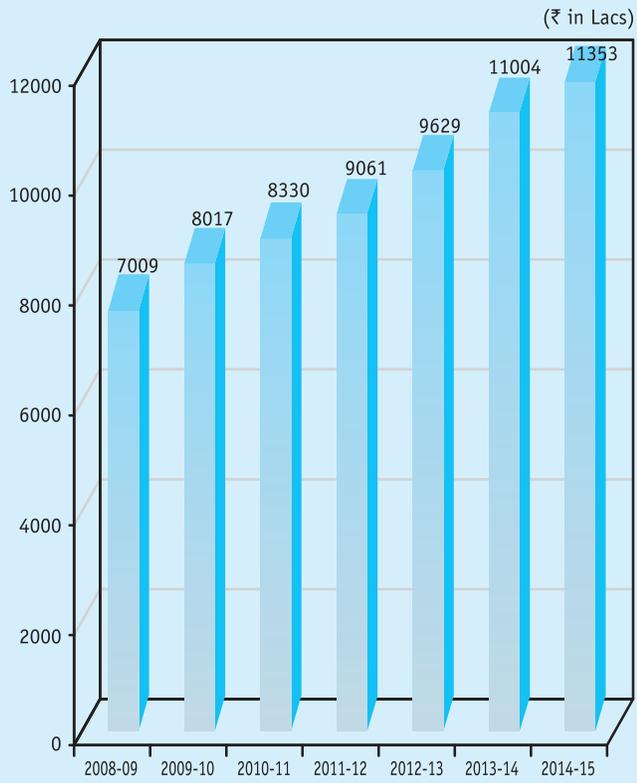


22nd ANNUAL REPORT 2014-2015

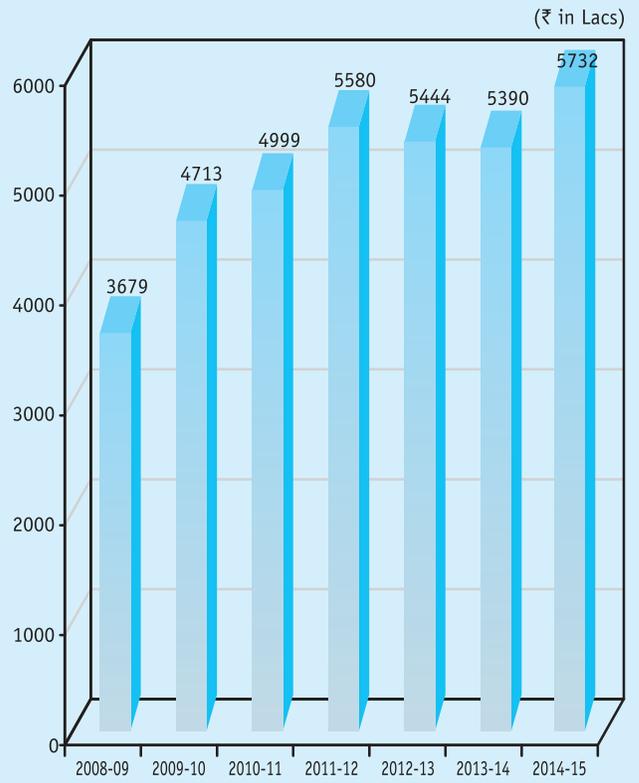


**SHILP**™  
**GRAVURES**  
**LIMITED**

### GROSS ASSETS



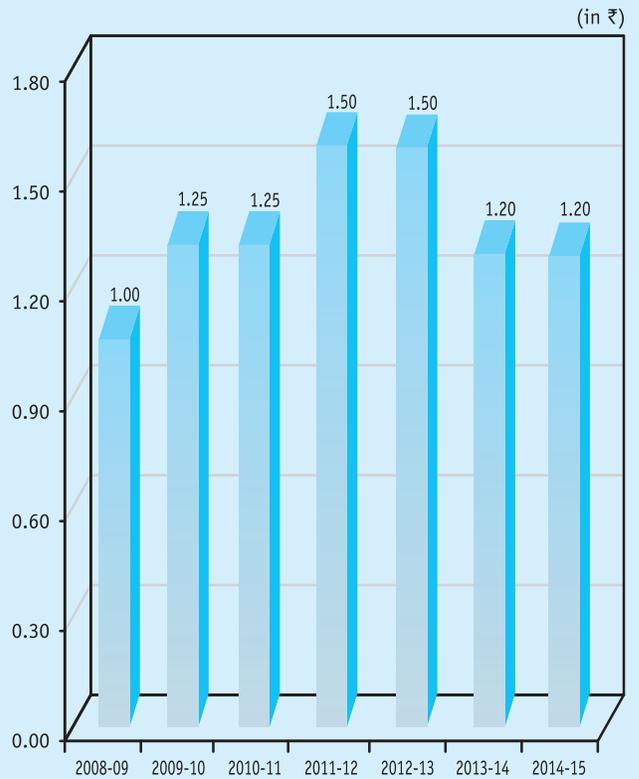
### TURNOVER



### NET WORTH



### DIVIDEND DISTRIBUTION



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

|                                      |  |
|--------------------------------------|--|
| Baldev V. Patel<br>(DIN 00107161)    | <i>Non - Executive Director &amp; Chairman</i> |
| Ambar J. Patel<br>(DIN 00050042)     | <i>Managing Director</i>                       |
| Monica Kanuga<br>(DIN 06919996)      | <i>Non - Executive Director</i>                |
| Shailesh C. Desai<br>(DIN 00169595)  | <i>Independent Director</i>                    |
| Chinubhai R. Shah<br>(DIN 00558310)  | <i>Independent Director</i>                    |
| Nipam R. Shah<br>(DIN 00093697)      | <i>Independent Director</i>                    |
| Dr. Navin P. Patel<br>(DIN 00093859) | <i>Independent Director</i>                    |
| Rajendra S. Shah<br>(DIN 00061922)   | <i>Independent Director</i>                    |
| Jainand G. Vyas<br>(DIN 02656340)    | <i>Independent Director</i>                    |

**CIN NO. : L27100GJ1993PLC020552**

### REGISTERED OFFICE & WORKS

778/6 Pramukh Industrial Estate,  
Sola - Santej Road,  
Village: Rakanpur, Taluka: Kalol,  
District: Gandhinagar - 382 721, Gujarat, India  
Ph. No.: 02764 - 286323, 286324, 286866  
Fax No: 02764 - 286335  
Website: www.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

Sharepro Services (India) Pvt. Ltd.  
416 - 420, 4th Floor, Devnandan Mall,  
Opp. Sanyas Ashram, Ellisbridge,  
Ahmedabad 380 006  
Phone: 079 - 26582381 to 84  
Fax: 079 - 26582385  
Email: sharepro.ahmedabad@shareproservices.com

### CHIEF EXECUTIVE OFFICER

Roshan H. Shah

### CHIEF MARKETING OFFICER

Gajanan V. Bhavsar

### CHIEF OPERATING OFFICER

Atul M. Vinchhi

### CHIEF TECHNICAL OFFICER

Narendra R. Patil

### CHIEF FINANCIAL OFFICER

Amit P. Agrawal

### COMPANY SECRETARY

Gurnish T. Chhabda  
(M) +91-9925246511  
e-mail:cs@shilpgravures.com

### AUDITORS

Deloitte Haskins & Sells  
Chartered Accountants  
"Heritage", 3rd Floor,  
Nr. Gujarat Vidyapith,  
Off Ashram Road, Ahmedabad 380 014

### BANKERS

The Ahmedabad Mercantile Co-Operative Bank Limited  
HDFC Bank  
ICICI Bank  
Axis Bank  
Bank of Baroda

| <b>CONTENTS</b>                        | <b>Page No.</b> |
|--|-----------------|
| Notice .....                           | 02-07           |
| Directors' Report .....                | 08-27           |
| Management Discussion & Analysis.....  | 28-29           |
| Report on Corporate Governance .....   | 30-42           |
| Auditors' Report .....                 | 43-45           |
| Standalone Financial Statement .....   | 46-69           |
| Consolidated Auditors' Report .....    | 70-73           |
| Consolidated Financial Statement ..... | 74-97           |
| Form AOC-1 .....                       | 98              |
| Attendance Slip .....                  | 99              |
| Proxy Form .....                       | 101             |

## NOTICE

NOTICE is hereby given that, the TWENTY SECOND ANNUAL GENERAL MEETING of the members of **SHILP GRAVURES LIMITED** will be held on **Wednesday, the 23<sup>rd</sup> day of September, 2015 at 4:00 p.m.** at the Registered Office of the Company at 778/6, Pramukh Industrial Estate, Village Rakanpur, Taluka Kalol, Dist. Gandhinagar, Gujarat to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone as well as Consolidated Balance Sheet of the Company as at 31<sup>st</sup> March, 2015 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 2014-15, if any.
3. To appoint a Director in place of Mr. Nipam Shah, who retires by rotation and being eligible offers himself for re - appointment.
4. To ratify the appointment of Statutory Auditors and to fix their remuneration and to pass, the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on September 3, 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad a firm bearing Registration Number 117365W as the auditors of the Company to hold office till the conclusion of Annual General Meeting (AGM) to be held in the Calendar year 2018 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration plus service tax, out of pocket and travelling expenses, etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### SPECIAL BUSINESS

#### 5. Appointment of Dr. Baldev Patel as Director

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Baldev Patel (DIN: 00107161), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things (including delegate such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.

#### 6. Revision in the terms of appointment and the remuneration payable to Mr. Ambar Patel

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Ambar Patel (holding DIN 00050042), as a Managing Director of the Company for a period of 3 (three) years commencing from 1<sup>st</sup> July, 2015 and whose office shall not be liable to determination by retirement of directors by rotation and the remuneration payable to him, shall be on such terms and conditions as mentioned below;

#### Revised Remuneration:-

1. **Period:** From 1<sup>st</sup> July, 2015 to 30<sup>th</sup> June, 2018
2. **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.
  - (a) **Basic Salary:** ₹ 3.00 Lacs, ₹ 3.50 Lacs and ₹ 4.00 Lacs per month, respectively for the aforesaid period.
  - (b) **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.

Mr. Ambar Patel shall be entitled to the said salary, perquisites and other allowances, mentioned above as the minimum remuneration, subject to the limits prescribed in Schedule V to the Companies Act, 2013 or any modification or re-enactment thereof.

**3. Other Terms:**

- (a) The Appointee shall not be liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and Article 151 of the Articles of Association of the Company.
- (b) The Appointee shall not be entitled for sitting fees for attending the meetings of the Board and Committees thereof.
- (c) The Agreement may be terminated by either party, giving the other party three months' notice in writing of such termination or the Company paying three months' salary in lieu of the notice.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter, vary and modify the remuneration within the provisions of Schedule V to the Companies Act, 2013, to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provisions under the Companies Act, 2013 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and to do all such acts, deeds, things and execute all such documents, as may be considered necessary, desirable or expedient to give effect to this resolution."

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

Sd/-

**Gurnish Chhabda**  
*Company Secretary*

**Place : Rakanpur**

**Date : 08.08.2015**

**Corporate Identification Number (CIN):** L27100GJ1993PLC020552

**NOTES**

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the act") in respect of business under Item No. 3, 5 and 6 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange, of persons seeking appointment/ re-appointment as directors under item no. 3, 5 and 6 of the Notice, are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.** 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. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 19<sup>th</sup> September, 2015 to Wednesday, 23<sup>rd</sup> September, 2015 (both days inclusive) for the purpose of Dividend, if declared, at the Annual General Meeting.
4. If the final Dividend as recommended by the Board of Directors is approved at the AGM, will be payable on or after 23<sup>rd</sup> September, 2015 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 18<sup>th</sup> September, 2015.
  - 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 18<sup>th</sup> September, 2015.
5. Following is the name and address of the Registrar & Share Transfer Agents:

**Sharepro Services (India) Private Limited [SSIPL]**  
416-420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006  
Tel: 079 – 26582381/2/3
6. 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 Transfer Agents, Sharepro Services (India) Private Limited (SSIPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changed to SSIPL.

7. 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 SSIPL for assistance in this regard.
8. 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.
9. 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.
10. Transfer of Unclaimed/ Unpaid amounts to the Investor Education and Protection Fund (IEPF)  
Pursuant to Section 124 and 125 other applicable provisions, if any, of the Companies Act, 2013, amount of dividend for the year ended on 31<sup>st</sup> March, 2008, were deposited with Investors' Education and Protection Fund (IEPF) Account of the Central Government on 29/06/2015.
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 / SSIPL.
12. The Notice of the AGM along with the Annual Report 2014 – 15 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 SSIPL/ depositories.**
14. Members are requested to bring their copy of the Annual Report and Attendance Slip to the Annual General Meeting.
15. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

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

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (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:

| For Members holding shares in Demat Form and Physical Form |  |
|--|--|
| PAN*   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA0000100 in the PAN field.</li> </ul> |
| DOB#   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details#                                     | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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 reach directly 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed 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) Note for Non – Individual Shareholders and Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit 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) which they wish to vote on.
  - The list of accounts 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.
- (xix) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **E-voting Period:**

- i) The E-voting period commences on 20<sup>th</sup> September, 2015 (09.00 a.m.) and ends on 22<sup>nd</sup> September, 2015 (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 18<sup>th</sup> September, 2015, 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 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 18<sup>th</sup> September, 2015.
- iii) 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.
- iv) The scrutinizer shall unblock the votes in the presence of at least 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, forthwith to the Chairman of the Company.
- v) The results shall be declared alongwith 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 ("the Act"), the following explanatory statement sets out all material facts relating to the business mentioned under item No. 3, 5 and 6 of the accompanying notice:

### Item No. 3

The explanatory statement for Item No. 3 is voluntarily provided herewith for adequate clarity though statutorily not required as per Section 102 of the Companies Act, 2013.

At the 21<sup>st</sup> Annual General Meeting held on 3<sup>rd</sup> September, 2014, the Shareholders had approved the appointment of Mr. Nipam Shah as an Independent Director of the Company for a period of five years, thereby not liable to retire by rotation pursuant to the provisions of Section 149 of the Act.

Mr. Nipam Shah is a Chartered Accountant by qualification and provides advisory services in the sectors of Joint Venture, Acquisitions, Cross-Border Transactions, Private–Equity Investments and Corporate Growth strategies. The Company has been availing his professional services on strategic issues in ordinary course of business and the payments made in respect of the said services have also been at arm's length. In view of the General Circular No. 14/2014 issued by the Department on 9<sup>th</sup> June, 2014, Mr. Shah can continue as Independent Director. However, the Management was anticipating that services of Mr. Shah might have to be requested for more frequently and on regular basis keeping in mind the future plans of the company. Therefore, as a matter of prudence and good governance, the Board of Directors, in their meeting held after the last Annual General Meeting, had decided to designate Mr. Shah as a Non Independent Professional Director. If Mr. Shah is a non- Independent Director, his office would become liable to rotational retirement.

The proposal is therefore now placed before the Members. The members may consider his re-appointment on rotational basis as a Non Independent Director.

None of the Directors or Key Managerial Personnel (KMP) or relative of directors and KMP except Mr. Nipam Shah is concerned or interested in the Item No. 3 of the accompanying notice.

A brief profile of Mr. Nipam Shah is given in the enclosed annexure.

### Item No. 5

On the recommendation of Nominations and Remuneration Committee, the Board of Directors, at its meeting held on February 3, 2015 appointed Dr. Baldev Patel as an Additional Director of the Company with effect from February 3, 2015, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. Baldev Patel will hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of requisite amount proposing the candidature of Dr. Baldev Patel for the office of Director of the Company.

Dr. Baldev Patel is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

A brief profile of Dr. Baldev Patel is provided in the Annexure to this Notice. A copy of the draft letter for appointment of Dr. Baldev Patel as Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

The Board recommends the resolution set forth in Item No. 5 for approval of the members.

None of the Directors or Key Managerial Personnel (KMP) or relative of directors and KMP except Dr. Baldev Patel, to whom the resolution relates, is concerned or interested in the resolution.

### Item No. 6

At the 19<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> August, 2012, the Shareholders had approved the re-appointment of Mr. Ambar Patel as Managing Director of the Company, for a period of three years w.e.f. 1<sup>st</sup> July 2012 upon the terms and conditions including remuneration as set out in the agreement executed with them. Hence, the present term of Mr. Ambar Patel as Managing Director of the Company was up to 30<sup>th</sup> June, 2015. The Board of Directors and Remuneration Committee in their meeting held on May 2, 2015 approved his reappointment for a further period of 3 (three) years commencing from 1<sup>st</sup> July, 2015.

With the revision in the terms of appointment of Managing Director - Mr. Ambar Patel, the terms of remuneration payable to him is also proposed to be revised. For the earlier term, the Central Government had approved the payment of remuneration to Managing Director - Mr. Ambar Patel in excess of the limits prescribed under relevant sections w.r.t. Schedule XIII of the Companies Act, 1956. While for the proposed term, the Board of Directors at its meeting held on May 2, 2015 after considering the recommendation of the Nomination & Remuneration Committee, had recommended the remuneration payable to Mr. Ambar Patel, subject to the limits prescribed in Schedule V to the Companies Act, 2013 or any modification or re-enactment thereof.

The Draft Agreement to be entered into by the Company with the Managing Director is available for inspection at the Registered Office of the Company during business hours on any working day.

The above Explanatory Statement and the terms specified in the Resolution (no. 6) sets out as an abstract of the material terms of the contract with Managing Director and the same be treated as an abstract of Memorandum of interest in accordance with Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel (KMP) or relative of directors and KMP except Mr. Ambar Patel, to whom the resolution relates, is concerned or interested in the resolution.

The Board of Directors recommends this resolution for your consideration and approval.

### ANNEXURE TO NOTICE

Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting to be held on 23<sup>rd</sup> September, 2015 (pursuant to Clause 49 of the Listing Agreement)

| Name  | Dr. Baldev V. Patel   | Mr. Ambar J. Patel   | Mr. Nipam R. Shah  |
|---|---|--|--|
| Date of Birth   | 29.06.1950  | 20.11.1953   | 16.09.1961   |
| Date of Appointment   | 03.02.2015  | 01.07.2015 (proposed)  | 05.11.2011   |
| Qualifications  | MBBS, MD (Pediatrician)   | B.E. (Mechanical), D.E.E.  | Chartered Accountant   |
| Expertise in specific Functional Area   | Dr. Baldev Patel is a very Senior Practicing Doctor in U.S.A. Apart from his Profession, he has rich business experience of 41 years and is well versed with technicalities of Gravure Industry and provides strategic and technological inputs to the Company. | Mr. Ambar Patel has over 36 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 'Ahmedabad Management Association' | Mr. Nipam Shah has an experience of more than 30 years in advising in the areas of International Taxation, Joint Ventures, Acquisitions, Cross-Border Transactions, Private Equity, In-bound and out-bound investments to and from India and Corporate growth strategies. He has advised a large number of corporate and business houses across multiple sectors such as Engineering, Textiles, Chemicals, Pharmaceuticals, Real Estate, Infrastructure, Power Generation, Agro & Food Processing, Retail, Banking Financial Services, Insurance and Information Technology. |
| Directorships held in other public Companies(Excluding foreign and private Companies) | Nil   | Nil  | Nil  |
| Committee Memberships/ Chairmanship in other public Companies                         | Nil   | Nil  | Nil  |
| Shareholding (no. of shares held as on 31.03.2015)                                    | Nil   | 243910 Equity Shares of ₹ 10/- each. (jointly with his wife-Amita A. Patel)  | Nil  |
| Relationships between directors inter-se  | N.A.  | N.A.   | N.A.   |

## DIRECTORS' REPORT:

To  
The Members,

Your Directors have pleasure in presenting the 22<sup>nd</sup> 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, 2015.

### FINANCIAL HIGHLIGHTS

#### (a) Standalone Financial Results of Shilp Gravures Limited

(₹ in Lacs)

| Particulars   | For the year<br>ended on<br>31 <sup>st</sup> March, 2015 | For the year<br>ended on<br>31 <sup>st</sup> March, 2014 |
|---|--|--|
| Revenue from Operations and Other Income  | 5819.62  | 5438.93  |
| <b>Profit Before Depreciation and Amortisation expenses, Finance Cost and Tax</b>   | <b>1453.78</b>   | <b>1504.31</b>   |
| <b>Less:</b> Depreciation and Amortisation expenses   | 623.98   | 646.31   |
| Finance Cost  | 215.16   | 224.70   |
| <b>Profit before Tax</b>  | <b>614.64</b>  | <b>633.30</b>  |
| <b>Less:</b> Current tax expense for current year   | 165.19   | 163.69   |
| Deferred tax  | (4.64)   | 46.68  |
| <b>Net Profit after Tax</b>   | <b>454.09</b>  | <b>422.93</b>  |
| Balance Brought Forward   | 2279.16  | 1967.56  |
| Less – Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life | 64.55  | -  |
| <b>Amount available for appropriations</b>  | <b>2668.70</b>   | <b>2390.49</b>   |
| Appropriation:  |  |  |
| General Reserves  | 25.00  | 25.00  |
| Proposed Dividend   | 73.80  | 73.80  |
| Corporate Dividend Tax  | 14.76  | 12.54  |
| <b>Balance Carried to Balance Sheet</b>   | <b>2555.15</b>   | <b>2279.16</b>   |

#### (b) Consolidated Financial Results of Shilp Gravures Limited, its Subsidiary Company and Joint Venture Company

(₹ in Lacs)

| Particulars   | For the year<br>ended on<br>31 <sup>st</sup> March, 2015 | For the year<br>ended on<br>31 <sup>st</sup> March, 2014 |
|---|--|--|
| Revenue from Operations and Other Income  | 6760.27  | 6092.13  |
| <b>Profit Before Depreciation and Amortisation expenses, Finance Cost and Tax</b>   | <b>1445.77</b>   | <b>1367.41</b>   |
| <b>Less:</b> Depreciation and Amortisation expenses   | 654.04   | 660.42   |
| Finance Cost  | 250.34   | 262.72   |
| <b>Profit before Tax</b>  | <b>541.39</b>  | <b>444.28</b>  |
| <b>Less:</b> Current tax expense for current year   | 164.86   | 164.39   |
| Deferred tax  | (22.21)  | 64.02  |
| <b>Net Profit after Tax</b>   | <b>398.74</b>  | <b>215.87</b>  |
| <b>Less:</b> Minority Interest  | 19.60  | (32.74)  |
| <b>Profit Attributable to Shareholders of the Company</b>   | <b>379.14</b>  | <b>248.61</b>  |
| Balance Brought Forward   | 2104.70  | 1967.43  |
| Less – Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life | 65.17  | -  |
| <b>Amount available for appropriations</b>  | <b>2418.67</b>   | <b>2216.04</b>   |
| Appropriation:  |  |  |
| General Reserves  | 25.00  | 25.00  |
| Proposed Dividend   | 73.80  | 73.80  |
| Corporate Dividend Tax  | 14.76  | 12.54  |
| <b>Balance Carried to Balance Sheet</b>   | <b>2305.09</b>   | <b>2104.70</b>   |

## OPERATIONS & STATE OF AFFAIRS

The Operations during the year under review were satisfactory. Your Company has achieved a gross turnover of ₹ 6143.36 Lacs from ₹ 5823.78 Lacs in the previous year. The Profit after Tax has increased to ₹ 454.09 Lacs for the year under review as compared to ₹ 422.93 Lacs in the previous year. The earnings per share (EPS) of the company have also increased to ₹ 7.38 per share during the year under review as against ₹ 6.88 per share in the previous year.

## DIVIDEND & RESERVES

In consideration to the stagnant performance of the Company for the financial year 2014 – 15, the Board of Directors (“the Board”) have decided to recommend a final dividend of ₹ 1.20/- per share, being 12.00% (at par with the previous year) on the face value of ₹ 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 2014 – 15. In compliance to the provisions of section 123 (1) of the Companies Act, 2013, the Company proposes to transfer a sum of ₹ 25.00 Lacs to the General Reserve being 5.51% of the Current year’s profit.

## FIXED DEPOSITS

The Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## DIRECTORS & KEY MANAGERIAL PERSONNEL

### (a) Regularizing

#### ***Dr. Baldev Patel (DIN: 00107161)***

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Baldev Patel who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 3<sup>rd</sup> February, 2015, shall hold office upto the date of the ensuing Annual General Meeting. The Company has received a requisite notice in writing from a member proposing his appointment as a Director. The Board of Directors recommends his appointment.

### (b) Resignations

#### ***Mr. Vitthaldas Patel (DIN: 00126972)***

During the year under review, Mr. Vitthaldas Patel has resigned from the Chairmanship and Directorship of the Company with effect from 31<sup>st</sup> March, 2015 due to his other pre-occupations. The Board placed on record its appreciation for the valuable guidance and contribution to the board made by Mr. Patel during his tenure as Director of the Company.

#### ***Mr. Chandraprakash Devpura – Key Managerial Personnel***

During the year under review, Mr. Chandraprakash Devpura has resigned from the position of Chief Financial Officer of the Company with effect from 28<sup>th</sup> February, 2015. The Board has placed on record its appreciation for the valuable services rendered by him.

#### ***Mr. Pragnesh Darji – Key Managerial Personnel***

During the year under review, Mr. Pragnesh Darji (ACS 24382) has resigned from the post of Company Secretary with effect from 15<sup>th</sup> November, 2014. The Board has placed on record its appreciation for the valuable services rendered by him.

### (c) Retirement By Rotation

#### ***Mr. Nipam Shah (DIN: 00093697)***

In accordance with the provisions of Section 152(6) and Articles of Association of the Company, Mr. Nipam Shah will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

### (d) Appointment

#### ***Ms. Gurnish Chhabda – Key Managerial Personnel***

During the year under review, Ms. Gurnish Chhabda (ACS 28103) was appointed by the Board at its meeting held on 3<sup>rd</sup> February, 2015 as the Whole-time Company Secretary of the Company.

### (e) 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 prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, the Directors hereby state and confirm that:

- a) in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) 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 2014-2015 and the profit of the Company for that period;
- c) 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;
- d) the Annual Accounts have been prepared on a 'going concern basis';
- e) the internal financial controls followed by the Company are adequate and has been operating effectively; and
- f) 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.

## AUDITORS AND COMMENTS ON AUDITORS' REPORT

### (a) Statutory Auditors

M/s. Deloitte Haskins & Sells (DHS), (ICAI firm Registration Number 117365W), Chartered Accountants (CAs), Ahmedabad, were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018. In terms of the first proviso to Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. In this regard, the Board based on the recommendation of the Audit Committee recommends the appointment of M/s. Deloitte Haskins & Sells "DHS" as statutory auditors of the Company for the financial year 2015 – 16.

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 Auditors Report forming part of this Annual Report does not contain any qualification, reservation or adverse remark.

### (b) Secretarial Auditors

The Board had appointed Mrs. Monica Kanuga, Practicing Company Secretary, Ahmedabad as the Secretarial Auditors to conduct Secretarial Audit for the financial year 2014 – 15 under the provisions of Section 204 of the Companies Act, 2013.

The report of Secretarial Auditor is annexed to this report as **Annexure - I**. The observations made by the Auditor in the Report relates to the reporting/publishing requirements. The Management submits that the lapses are purely out of inadvertence and unintentional. The Management undertakes to ensure complete compliance henceforth.

## DISCLOSURES UNDER THE COMPANIES ACT, 2013

### (a) Extract of Annual Return

The details forming part of the extract of the Annual Return is annexed to this report as **Annexure – II**

### (b) Number of Board Meetings

The Board of Directors met 4 (four) times during the year 2014 – 15. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### (c) Composition of Audit Committee

The Audit Committee comprises of Mr. Chinubhai Shah as the Chairman and Mr. Shailesh Desai and Mr. Ambar Patel as the Members of the Committee. More details on the committee are given in the Corporate Governance Report. All the recommendations by the Audit Committee were accepted by the Board.

### (d) Particulars of Loans given , Guarantees given, Securities provided and Investments made

During the year under review, an investment of ₹ 75,00,000/- was made in acquiring the 7,50,000 Non-Cumulative Redeemable Preference Shares ("NCRPS") of ₹ 10/- each of HMSU Rollers (India) Pvt. Ltd. (*this investment falls under the provisions of Section 186 of the Companies Act, 2013*).

### (e) Related Party Transactions

All the related party transactions entered by the Company during the financial year were on an arm's length basis and in compliance with the applicable provisions of the Act and the Listing Agreement. All the Related Party Transactions are presented before the

Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by the certificate from the MD / CEO and the CFO.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.shilpgravures.com](http://www.shilpgravures.com). The web-link as required under the Listing Agreement is as under:

<http://www.shilpgravures.com/pdf/Related%20Party%20Transaction%20Policy.pdf>

During the year, the Company had not entered into any materially significant related party transactions which have potential conflict with the interest of the Company at large and hence there is no information to be provided under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

#### **(f) Internal Control Systems**

With the formalized systems and procedures, the Company is able to continuously monitor the efficacy of internal controls and to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes.

All significant audit observations and follow-up actions therein were reported to the Audit Committee. The Audit Committee also met the company's Statutory auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to Accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company.

#### **(g) Vigil Mechanism / Whistle Blower**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Listing Agreements, a Vigil Mechanism or Whistle Blower Policy for directors and employees to report genuine concerns has been established. The same is also uploaded on the website of the Company – [www.shilpgravures.com](http://www.shilpgravures.com) and can be accessed at the following web link: .

<http://www.shilpgravures.com/pdf/Whistle%20Blower%20Policy.pdf>

#### **(h) Performance Evaluation**

In compliance with the Companies Act, 2013, and Clause 49 of the Listing Agreement, the performance evaluation of the Board was carried out during the year under review. More detail on the same is given in the Corporate Governance Report.

#### **(i) Material Changes**

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year March 31, 2015. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

#### **(j) CSR Policy**

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 during the financial year ended March 31, 2015 in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure III**.

#### **(k) Nomination and Remuneration Policy**

The contents of Nomination and Remuneration Policy of the Company is prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 (IV) of the Listing Agreement. The policy is devised by the Nomination & Remuneration Committee and thereafter approved by the Board. More details on the same are provided in the Corporate Governance Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As per the terms of Clause 49(VIII)(D) of the Listing Agreement entered into with the Stock Exchange, the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

### **CORPORATE GOVERNANCE REPORT**

We comply with the Securities Exchange Board of India (SEBI's) guidelines on Corporate Governance. We have documented our internal policies on Corporate Governance. A report on Corporate Governance along with the requisite certificate from the Auditors of the Company in compliance of terms of the Corporate Governance pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange is attached and forms part of this report.

## PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure IV** to the Board's Report.

During the year under review, there are no employees in respect of whom the information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is required to be disclosed.

## SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY AND ITS CONSOLIDATED FINANCIAL STATEMENT

The Company has one Subsidiary and one Joint Venture as on March 31, 2015 by the name of "ReShilp Equipments (India) Private Limited and "HMSU Equipments (India) Private Limited", respectively. There has been no material change in the nature of the business of the subsidiary. The Board of Directors of the Company regularly reviews the affairs of its Subsidiary.

The Consolidated Financial Statements of the Company, its subsidiary company and its joint venture company have been prepared in accordance with the relevant Accounting Standards and are provided in the Annual Report. A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the provisions of the Companies Act, 2013 is provided as **Annexure A** to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

The Policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website [www.shilpgravures.com](http://www.shilpgravures.com) and can be accessed on the following web link : <http://www.shilpgravures.com/pdf/Policy%20on%20Material%20Subsidiary.pdf>

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

The information to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure - V** to this report.

## INSURANCE

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

## ACKNOWLEDGMENTS

Your Directors express their appreciation for the continued co-operation, support & assistance received from Auditors, Bankers, Statutory Authorities, Customers, Vendors, Consultants as well as Shareholders during the year.

Your Directors also wish to place on record their appreciation for the dedicated services and contribution given by all the employees of the Company. Your Directors gratefully acknowledge the trust and confidence and look forward for their continued support in the future.

On the behalf of The Board of Directors

Place : Rakanpur  
Date : 08.08.2015

Baldev Patel  
(Chairman)

Ambar Patel  
(Managing Director)

**ANNEXURE – I**  
**FORM No. MR - 3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015  
[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-Santej Road,  
Village: Rakanpur, Taluka : Kalol,  
District : Gandhinagar - 382721

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.

#### **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.

#### **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.

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, 2015, 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, 2015 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, 1992;
  - 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;

The Management has confirmed that no specific laws are applicable to the Company.

I have also examined compliance with applicable clauses of the Listing Agreements entered into by the Company with BSE Limited.

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

- (i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (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; and
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

- (i) The prior intimation of at least 2 working days to be provided to the Exchange as per Clause 19(a) of the Listing Agreement for the Board Meeting held on 1<sup>st</sup> of May, 2014, where the proposal for recommendation of dividend was considered, was not provided.
- (ii) The Public Notice to be published in English and Vernacular Newspaper for the date and purpose of Board Meeting in which financial results are to be considered, as required under Clause 41(iii)(b) was not published.
- (iii) The continual disclosures required under Clause 8(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 were not made.
- (iv) The Advertisement as required under Rule 20(3)(v) of the Companies (Management and Administration) Rules, 2014 was not published.
- (v) Though the windows were closed for trading before the Board meetings, the communication to the Stock Exchange was not made.

**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 were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

Place : Ahmedabad  
Date : 7<sup>th</sup> August, 2015

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

**ANNEXURE – II**  
**Form MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

**As on the Financial Year ended on 31<sup>st</sup> March, 2015**

[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 – 382 721  |
| 6. | Whether Listed Company  | : | Yes   |
| 7. | Name, Address and contact details of Registrar and Transfer Agents, if any: | : | Sharepro Services (India) Pvt. Ltd.<br>416- 420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad 380 006<br>Phone: 079 - 26582381 to 84 |

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

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

| Sr. No. | Name of Description of main products / services | NIC Code of Product / Service | % of total turnover of the Company |
|---------|---|-------------------------------|------------------------------------|
| 1       | Engraved Copper Rollers                         | 29294                         | 95.02%                             |
| 2       | Printing Plates                                 | 29294                         | 04.98%                             |
|         | Total   |                               | 100.00%                            |

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

| Sr. No. | Name of the Company  | CIN/GLN               | Holding / Subsidiary / Associate Company | Applicable Section |
|---------|--|-----------------------|--|--------------------|
| 1       | HMSU ROLLERS (INDIA) PRIVATE LIMITED<br>778/6 Pramukh Industrial Estate, Sola-Santej Road, Village-Rakanpur, Kalol, Gujarat-382721                   | U29130GJ2012PTC068828 | Associate Company                        | Section 2(6)       |
| 2.      | RESHILP EQUIPMENTS (INDIA) PRIVATE LIMITED<br>3-4, Raghuvir Industrial Estate, Nr. Kothari Cross Road, Tal.: Kalol, Village : Santej, Gujarat-382721 | U29100GJ2011PTC065234 | Subsidiary Company                       | Section 2(87)      |

#### 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 |          |                |                   | No of Shares held at the end of the year |             |                |                   | % Change during the year |
|---|--|----------|----------------|-------------------|--|-------------|----------------|-------------------|--------------------------|
|   | Demat  | Physical | Total          | % of Total Shares | Demat                                    | Physical    | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>   |  |          |                |                   |  |             |                |                   |                          |
| <b>(1) Indian</b>   |  |          |                |                   |  |             |                |                   |                          |
| i) Individual / HUF   | 1894858  | -        | 1894858        | 30.81             | 1935665                                  | 4000        | 1939665        | 31.53             | 0.72                     |
| ii) Central Govt.   | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| iii) State Govt. (s)  | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| iv) Bodies Corporate  | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| v) Banks / FI(s)  | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| vi) Any other   | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| <b>Sub Total (A)(1)</b>                                     | <b>1894858</b>                                 | <b>-</b> | <b>1894858</b> | <b>30.81</b>      | <b>1935665</b>                           | <b>4000</b> | <b>1939665</b> | <b>31.53</b>      | <b>0.72</b>              |
| <b>(2) Foreign</b>  |  |          |                |                   |  |             |                |                   |                          |
| i) NRIs –Individuals  | 1756478  | -        | 1756478        | 28.56             | 1756478                                  | -           | 1756478        | 28.56             | -                        |
| ii) Other –Individuals                                      | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| iii) Bodies Corporate                                       | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| iv) Banks/ FI (s)   | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| v) Any other  | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| <b>Sub Total (A)(2)</b>                                     | <b>1756478</b>                                 | <b>-</b> | <b>1756478</b> | <b>28.56</b>      | <b>1756478</b>                           | <b>-</b>    | <b>1756478</b> | <b>28.56</b>      | <b>-</b>                 |
| <b>TOTAL Shareholding of Promoter (A) = (A)(1) + (A)(2)</b> | <b>3651336</b>                                 | <b>-</b> | <b>3651336</b> | <b>59.37</b>      | <b>3692143</b>                           | <b>4000</b> | <b>3696143</b> | <b>60.08</b>      | <b>0.71</b>              |
| <b>B. Public Shareholding</b>                               |  |          |                |                   |  |             |                |                   |                          |
| <b>1. Institutions</b>                                      |  |          |                |                   |  |             |                |                   |                          |
| i) Mutual Funds   | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| ii) Banks / FI (s)  | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| iii) Central Govt.  | -  | -        | -              | -                 | -  | -           | -              | -                 | -                        |
| 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>-</b>                                 | <b>-</b>    | <b>-</b>       | <b>-</b>          | <b>-</b>                 |

| Category of Shareholders   | No of Shares held at the beginning of the year |               |                |                   | No of Shares held at the end of the year |               |                |                   | % Change during the year |
|--|--|---------------|----------------|-------------------|--|---------------|----------------|-------------------|--------------------------|
|  | Demat  | Physical      | Total          | % of Total Shares | Demat                                    | Physical      | Total          | % of Total Shares |                          |
| <b>2. Non - Institutions</b>   |  |               |                |                   |  |               |                |                   |                          |
| i) Bodies Corporate  |  |               |                |                   |  |               |                |                   |                          |
| a) Indian  | 96002  | 10400         | 106402         | 1.73              | 162717                                   | 10400         | 173117         | 2.82              | 1.09                     |
| b) Overseas  | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| ii) Individuals  |  |               |                |                   |  |               |                |                   |                          |
| a) Individual shareholders holding nominal share capital upto ₹ 1 Lacs         | 1019316  | 296810        | 1316126        | 21.40             | 1036052                                  | 285300        | 1321352        | 21.49             | 0.09                     |
| b) Individual shareholders holding nominal share capital in excess of ₹ 1 Lacs | 686793   | 20000         | 706793         | 11.49             | 631580                                   | 20000         | 651580         | 10.59             | -0.9                     |
| c) Others (specify)  |  |               |                |                   |  |               |                |                   |                          |
| NRI (Repatriation)   | 57009  | 233200        | 290209         | 4.72              | 63614                                    | 233200        | 296814         | 4.83              | 0.11                     |
| NRI (Non- Repatriation)  | 2574   | -             | 2574           | 0.04              | 2090                                     | -             | 2090           | 0.03              | -0.01                    |
| Independent Directors & Relatives  | 74377  | -             | 74377          | 1.21              | 2000                                     | -             | 2000           | 0.02              | -1.19                    |
| Shares in transit  | 1358   | -             | 1358           | 0.02              | 6704                                     | -             | 6704           | 0.11              | 0.09                     |
| Others   | 625  | -             | 625            | 0.01              | -  | -             | -              | -                 | -                        |
| <b>Sub - Total (B)(2)</b>  | <b>1938054</b>                                 | <b>560410</b> | <b>2498464</b> | <b>40.63</b>      | <b>1904757</b>                           | <b>548900</b> | <b>2453657</b> | <b>39.87</b>      | <b>-0.76</b>             |
| <b>TOTAL Shareholding of Promoter (B) = (B)(1) + (B)(2)</b>                    | <b>1938054</b>                                 | <b>560410</b> | <b>2498464</b> | <b>40.63</b>      | <b>1904757</b>                           | <b>548900</b> | <b>2453657</b> | <b>39.87</b>      | <b>-0.76</b>             |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                         | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| <b>GRAND TOTAL(A + B + C)</b>  | <b>5589390</b>                                 | <b>560410</b> | <b>6149800</b> | <b>100.00</b>     | <b>5596900</b>                           | <b>552900</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. | Shareholders Name                                | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % 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 | 382262                                    | 6.22                             | 0.00   | 382262                              | 6.22                             | 0.00   | 0.00                     |

| Sr. No. | Shareholders Name                                | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % 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 |                          |
| 4.      | Roshan Harshvadan Shah / Aarti Roshan Shah       | 287685                                    | 4.68                             | 0.00   | 313404                              | 5.10                             | 0.00   | 0.42                     |
| 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           | 76290                                     | 1.24                             | 0.00   | 76290                               | 1.24                             | 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            | 61754                                     | 1.00                             | 0.00   | 72088                               | 1.17                             | 0.00   | 0.17                     |
| 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.     | Priyanka 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.     | Vithaldas Hemdas Patel / 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                                | 0   | 0.00                             | 0.00   | 11155                               | 0.18                             | 0.00   | 0.18                     |
| 25.     | Kumudben H. Shah / Sundeep H. Shah               | 7000                                      | 0.11                             | 0.00   | 7000                                | 0.11                             | 0.00   | 0.00                     |

| Sr. No. | Shareholders Name                                   | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % 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 |                          |
| 26.     | Satish V. Patil                                     | 6200                                      | 0.10                             | 0.00   | 6200                                | 0.10                             | 0.00   | 0.00                     |
| 27.     | Ambar Jayantilal Patel (HUF)                        | 901                                       | 0.01                             | 0.00   | 901                                 | 0.01                             | 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        | 1300                                      | 0.02                             | 0.00   | 1300                                | 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.     | Sangita Gajanan Bhavsar                             | 870                                       | 0.01                             | 0.00   | 870                                 | 0.01                             | 0.00   | 0.00                     |
| 33.     | Jayprakash Gordhandas Patel / Ulca Jayprakash Patel | 700                                       | 0.01                             | 0.00   | 700                                 | 0.01                             | 0.00   | 0.00                     |
| 34.     | Anal Jayprakash Patel / Ulca Jayprakash Patel       | 650                                       | 0.01                             | 0.00   | 650                                 | 0.01                             | 0.00   | 0.00                     |
| 35.     | Ulca Jayprakash Patel                               | 500                                       | 0.01                             | 0.00   | 500                                 | 0.01                             | 0.00   | 0.00                     |
| 36.     | 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 |                                  | Cumulative Shareholding during the year |                                  |
|-----------|---|---|----------------------------------|---|----------------------------------|
|           |   | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| <b>1.</b> | <b>Roshan Harshvadan Shah / Aarti Roshan Shah</b> |   |                                  |   |                                  |
|           | At the beginning of the year                      | 287685                                    | 4.68                             | 287685                                  | 4.68                             |
|           | Acquired from market                              | 25719                                     | 0.42                             | 313404                                  | 5.10                             |
|           | At the end of the year                            | -   | -                                | 313404                                  | 5.10                             |
| <b>2.</b> | <b>Renuka Atul Vinchhi / Atul M. Vinchhi</b>      |   |                                  |   |                                  |
|           | At the beginning of the year                      | 61754                                     | 1.00                             | 61754                                   | 1.00                             |
|           | Acquired from market                              | 10334                                     | 0.17                             | 72088                                   | 1.17                             |
|           | At the end of the year                            | -   | -                                | 72088                                   | 1.17                             |
| <b>3.</b> | <b>Aarti Roshan Shah</b>                          |   |                                  |   |                                  |
|           | At the beginning of the year                      | 0   | 0.00                             | 0                                       | 0.00                             |
|           | Acquired from market                              | 11155                                     | 0.18                             | 11155                                   | 0.18                             |
|           | At the end of the year                            | -   | -                                | 11155                                   | 0.18                             |

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 |                                  | Cumulative Shareholding during the year |                                  |
|------------|---|---|----------------------------------|---|----------------------------------|
|            |   | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| <b>1.</b>  | <b>Vithaldas Hemdas Patel</b>                           |   |                                  |   |                                  |
|            | At the beginning of the year                            | 765756                                    | 12.45                            | 765756                                  | 12.45                            |
|            | Change during the year                                  | -   | -                                | -                                       | -                                |
|            | At the end of the year                                  | -   | -                                | 765756                                  | 12.45                            |
| <b>2.</b>  | <b>Hiraben Vithaldas Patel</b>                          |   |                                  |   |                                  |
|            | At the beginning of the year                            | 584314                                    | 9.50                             | 584314                                  | 9.50                             |
|            | Change during the year                                  | -   | -                                | -                                       | -                                |
|            | At the end of the year                                  | -   | -                                | 584314                                  | 9.50                             |
| <b>3.</b>  | <b>Hiraben Vithaldas Patel / Vithaldas Hemdas Patel</b> |   |                                  |   |                                  |
|            | At the beginning of the year                            | 382262                                    | 6.22                             | 382262                                  | 6.22                             |
|            | Change during the year                                  | -   | -                                | -                                       | -                                |
|            | At the end of the year                                  | -   | -                                | 382262                                  | 6.22                             |
| <b>4.</b>  | <b>Roshan Harshvadan Shah / Aarti Roshan Shah</b>       |   |                                  |   |                                  |
|            | At the beginning of the year                            | 287685                                    | 4.68                             | 287685                                  | 4.68                             |
|            | Purchased during the year                               | 25719                                     | 0.42                             | 313404                                  | 5.10                             |
|            | At the end of the year                                  | -   | -                                | 313404                                  | 5.10                             |
| <b>5.</b>  | <b>Atul Manilal Vinchhi / Renuka A. Vinchhi</b>         |   |                                  |   |                                  |
|            | At the beginning of the year                            | 289364                                    | 4.71                             | 289364                                  | 4.71                             |
|            | Change during the year                                  | -   | -                                | -                                       | -                                |
|            | At the end of the year                                  | -   | -                                | 289364                                  | 4.71                             |
| <b>6.</b>  | <b>Ambar Jayantilal Patel / Amita A. 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>7.</b>  | <b>Narendra Ramkrishna Patil / Chhaya N. Patil</b>      |   |                                  |   |                                  |
|            | At the beginning of the year                            | 182500                                    | 2.97                             | 182500                                  | 2.97                             |
|            | Change during the year                                  | -   | -                                | -                                       | -                                |
|            | At the end of the year                                  | -   | -                                | 182500                                  | 2.97                             |
| <b>8.</b>  | <b>Gajanan Vamanrao Bhavsar / Sangita G. Bhavsar</b>    |   |                                  |   |                                  |
|            | At the beginning of the year                            | 180700                                    | 2.94                             | 180700                                  | 2.94                             |
|            | Change during the year                                  | -   | -                                | -                                       | -                                |
|            | At the end of the year                                  | -   | -                                | 180700                                  | 2.94                             |
| <b>9.</b>  | <b>Gajanan Vamanrao Bhavsar</b>                         |   |                                  |   |                                  |
|            | At the beginning of the year                            | 128710                                    | 2.09                             | 128710                                  | 2.09                             |
|            | Change during the year                                  | -   | -                                | -                                       | -                                |
|            | At the end of the year                                  | -   | -                                | 128710                                  | 2.09                             |
| <b>10.</b> | <b>Anil Kumar Goel</b>                                  |   |                                  |   |                                  |
|            | At the beginning of the year                            | 110000                                    | 1.79                             | 110000                                  | 1.79                             |
|            | Change during the year                                  | -   | -                                | -                                       | -                                |
|            | At the end of the year                                  | -   | -                                | 110000                                  | 1.79                             |

v) Shareholding of Directors and Key Managerial Personnel

| Sr. No.   | For each of the Directors and KMP          | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|--|---|----------------------------------|---|----------------------------------|
|           |  | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| <b>1.</b> | <b>Ambar Jayantilal Patel <sup>2</sup></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>Vithaldas Hemdas Patel</b>              |   |                                  |   |                                  |
|           | At the beginning of the year               | 765756                                    | 12.45                            | 765756                                  | 12.45                            |
|           | Change during the year                     | -   | -                                | -                                       | -                                |
|           | At the end of the year                     | -   | -                                | 765756                                  | 12.45                            |
| <b>3.</b> | <b>Roshan Harshvadan Shah <sup>2</sup></b> |   |                                  |   |                                  |
|           | At the beginning of the year               | 287685                                    | 4.68                             | 287685                                  | 4.68                             |
|           | Change during the year                     | 25719                                     | 0.42                             | 313404                                  | 5.10                             |
|           | At the end of the year                     | -   | -                                | 313404                                  | 5.10                             |
| <b>4.</b> | <b>Gajanan Vamanrao Bhavsar</b>            |   |                                  |   |                                  |
|           | At the beginning of the year               | 128710                                    | 2.09                             | 128710                                  | 2.09                             |
|           | Change during the year                     | -   | -                                | -                                       | -                                |
|           | At the end of the year                     | -   | -                                | 128710                                  | 2.09                             |
| <b>5.</b> | <b>Shailesh Chimanlal Desai</b>            |   |                                  |   |                                  |
|           | At the beginning of the year               | 1000                                      | 0.01                             | 1000                                    | 0.01                             |
|           | Change during the year                     | -   | -                                | -                                       | -                                |
|           | At the end of the year                     | -   | -                                | 1000                                    | 0.01                             |
| <b>6.</b> | <b>Jainand Gajanand Vyas</b>               |   |                                  |   |                                  |
|           | At the beginning of the year               | 1000                                      | 0.01                             | 1000                                    | 0.01                             |
|           | Change during the year                     | -   | -                                | -                                       | -                                |
|           | At the end of the year                     | -   | -                                | 1000                                    | 0.01                             |

<sup>1</sup> Directors / Key Managerial Personnel held Directorship / employment respectively for part of the year

<sup>2</sup> The shares held by Directors are held in joint names

<sup>3</sup> The following Directors / Key Managerial Personnel (KMP) did not hold any shares during the year:

Mrs. Monica Kanuga <sup>1</sup>

Mr. Chinubhai Shah

Mr. Nipam Shah

Mr. Rajendra Shah

Dr. Navin Patel

Dr. Baldev Patel <sup>1</sup>

Mr. Pragnesh Darji – KMP <sup>1</sup>

Mr. Chandraprakash Devpura – KMP <sup>1</sup>

Ms. Gurnish Chhabda – KMP <sup>1</sup>

## V. INDEBTEDNESS

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

(₹ in Lacs)

| Particulars  | 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  | 778.25                           | 653.56        | 145.73          | 0.00        | 0.00        | <b>1577.54</b>     |
| ii) Interest due but not paid                              | 0.00                             | 0.00          | 0.00            | 0.00        | 0.00        | <b>0.00</b>        |
| iii) Interest accrued but not due                          | 0.00                             | 0.00          | 0.00            | 0.00        | 0.00        | <b>0.00</b>        |
| <b>TOTAL ( i + ii + iii)</b>                               | <b>778.25</b>                    | <b>653.56</b> | <b>145.73</b>   | <b>0.00</b> | <b>0.00</b> | <b>1577.54</b>     |
| <b>Change in Indebtedness during the financial year</b>    |                                  |               |                 |             |             |                    |
| Addition   | 0.00                             | 186.62        | 0.00            | 0.00        | 0.00        | 186.62             |
| Reduction  | 344.02                           | 0.00          | 145.73          | 0.00        | 0.00        | 489.75             |
| <b>Net Change</b>  | <b>344.02</b>                    | <b>186.62</b> | <b>145.73</b>   | <b>0.00</b> | <b>0.00</b> | <b>-303.13</b>     |
| <b>Indebtedness at the end of the financial year</b>       |                                  |               |                 |             |             |                    |
| iv) Principal Amount                                       | 434.23                           | 840.18        | 0.00            | 0.00        | 0.00        | 1274.41            |
| v) Interest due but not paid                               | 0.00                             | 0.00          | 0.00            | 0.00        | 0.00        | 0.00               |
| vi) Interest accrued but not due                           | 0.00                             | 0.00          | 0.00            | 0.00        | 0.00        | 0.00               |
| <b>TOTAL ( i + ii + iii)</b>                               | <b>434.23</b>                    | <b>840.18</b> | <b>0.00</b>     | <b>0.00</b> | <b>0.00</b> | <b>1274.41</b>     |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director/ Whole – Time Directors and / or Manager

(Amount in ₹)

| Sr. No. | Particulars of Remuneration  | Name of MD / WTD/Manager |                   |                   | Total Amount       |
|---------|--|--------------------------|-------------------|-------------------|--------------------|
|         |  | Ambar Patel              | Roshan Shah       | Gajanan Bhavsar   |                    |
| 1       | <b>Gross Salary</b>  | <i>i</i>                 | <i>i</i>          | <i>i</i>          |                    |
|         | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 5092905.00               | 4284531.00        | 4284531.00        | <b>13661967.00</b> |
|         | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                      | -                        | -                 | -                 | -                  |
|         | 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   | -                        | -                 | -                 | -                  |
|         | <b>TOTAL (A)</b>   | <b>5092905.00</b>        | <b>4284531.00</b> | <b>4284531.00</b> | <b>13661967.00</b> |
|         | <b>Ceiling as per Act *</b>  |                          |                   |                   |                    |

i. The period for the payment of remuneration to the Directors is 1<sup>st</sup> July to 30<sup>th</sup> June, while the disclosure of the remuneration paid is 1<sup>st</sup> April to 31<sup>st</sup> March; hence the figures are derived proportionately.

ii. \* The Central Government has granted a ceiling of ₹ 42 Lacs and ₹ 48 Lacs for a period from 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2014 and 1<sup>st</sup> July, 2014 to 30<sup>th</sup> June, 2015, respectively for the aforesaid MD / WTD.

**B. Remuneration to other Directors**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration                     | Name of Directors |                 |               |               |               |               |               | Total Amount    |
|---------|---|-------------------|-----------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|         |   | Chinubhai Shah    | Shailesh Desai  | Nipam Shah    | Navin Patel   | Jainand Vyas  | Rajendra Shah | Monica Kanuga |                 |
| 1       | Independent Directors                           |                   |                 |               |               |               |               |               |                 |
|         | - Fees for attending Board & Committee Meetings | 1,40,000          | 1,50,000        | 60,000        | 65,000        | 60,000        | 40,000        | -             | 5,15,000        |
|         | - Commission                                    | 0                 | 0               | 0             | 0             | 0             | 0             | -             | 0               |
|         | - Others, pleaseSpecify                         | 0                 | 0               | 0             | 0             | 0             | 0             | -             | 0               |
|         | <b>TOTAL (1)</b>                                | <b>1,40,000</b>   | <b>1,50,000</b> | <b>60,000</b> | <b>65,000</b> | <b>60,000</b> | <b>40,000</b> | <b>-</b>      | <b>5,15,000</b> |
| 2.      | Other Non - Executive Directors                 |                   |                 |               |               |               |               |               |                 |
|         | - Fees for attending Board & Committee Meetings | -                 | -               | -             | -             | -             | -             | 30,000        | 30,000          |
|         | - Commission                                    | -                 | -               | -             | -             | -             | -             | 0             | 0               |
|         | - Others, pleaseSpecify                         | -                 | -               | -             | -             | -             | -             | 0             | 0               |
|         | <b>TOTAL (2)</b>                                | <b>-</b>          | <b>-</b>        | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>30,000</b> | <b>30,000</b>   |
|         | <b>TOTAL B = (1) + (2)</b>                      | <b>1,40,000</b>   | <b>1,50,000</b> | <b>60,000</b> | <b>65,000</b> | <b>60,000</b> | <b>40,000</b> | <b>30,000</b> | <b>5,45,000</b> |
|         | TOTAL Managerial Remuneration                   | -                 | -               | -             | -             | -             | -             | -             | 5,45,000        |
|         | Overall ceiling as per the Act                  | -                 | -               | -             | -             | -             | -             | -             | -               |

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

(Amount in ₹)

| Sr. No. | Particulars of Remuneration  | Key Managerial Personnel |                         |                                 | TOTAL             |
|---------|--|--------------------------|-------------------------|---------------------------------|-------------------|
|         |  | Company Secretary        |                         | CFO                             |                   |
| 1       | Gross Salary   | Pragnesh Darji<br>- i    | Gurnish Chhabda<br>- ii | Chandraprakash Devpura<br>- iii |                   |
|         | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 293775.00                | 74299.00                | 922084.00                       | 1290158.00        |
|         | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                      | -                        | -                       | -                               | -                 |
|         | 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   | -                        | -                       | -                               | -                 |
|         | <b>TOTAL</b>   | <b>293775.00</b>         | <b>74299.00</b>         | <b>922084.00</b>                | <b>1290158.00</b> |

i. For the period commencing from 1<sup>st</sup> April, 2014 to 15<sup>th</sup> November, 2014 (i.e.) 7.5 months period

ii. For the period commencing from 19<sup>th</sup> January, 2015 to 31<sup>st</sup> March, 2015 (i.e.) 2.5 months period approximately.

iii. For the period commencing from 1<sup>st</sup> April, 2014 to 28<sup>th</sup> February, 2015 (i.e.) 11 months period

**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><br>Penalty<br>Punishment<br>Compounding                   |                              |                   | None   |                               |                                   |
| <b>B. Directors</b><br>Penalty<br>Punishment<br>Compounding                 |                              |                   | None   |                               |                                   |
| <b>C. Other Officers in Default</b><br>Penalty<br>Punishment<br>Compounding |                              |                   | None   |                               |                                   |

### ANNEXURE – III

#### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014 - 2015

**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's CSR Policy encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, and is thereby titled as the "SGL CSR Policy".

The objective of the SGL CSR Policy is to directly or indirectly take up the programmes that benefit the communities in and around its work centre over a period of time, in enhancing the quality of life & economic well-being of the local populace.

The Company's CSR Policy provides for carrying out the CSR activities in the areas of:

Education  
Health Care  
Environment  
Rural Development  
Social and Women Empowerment  
Sports & Culture / Heritage  
Infrastructure

by way of donation to a reliable and respectable corpus, trust, society or institution or organisation.

The Policy on CSR as approved by the Board is uploaded on the Company's website [www.shilpgravures.com](http://www.shilpgravures.com) and can be accessed at the following web link: <http://www.shilpgravures.com/pdf/CSR%20Policy.pdf>

**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 :** ₹ 641.96 Lacs

**4. Prescribed CSR Expenditure (2% of the amount mentioned in 3 above) :** ₹ 12.84 Lacs

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

(a) Total amount spent for the Financial Year : ₹ 16.00 Lacs

(b) Amount Unspent, if any : Nil

(c) Manner in which the amount spent during the Financial Year is detailed below:

| (1)<br>Sr. No. | (2)<br>CSR Project or activity identified  | (3)<br>Sector in which the project is covered | (4)<br>Projects or Programs (1) Local area or other (2) Specify the state and district where the projects or programs were undertaken | (5)<br>Amount outlay (budget) project or programs wise (₹ in Lacs) | (6)<br>Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lacs) | (7)<br>Cumulative expenditure up to the reporting period (₹ in Lacs) | (8)<br>Amount spent: Direct or through implementing agency   |
|----------------|--|---|---|--|---|--|--|
| 1.             | Aastha Welfare Charitable Trust for welfare of the mentally challenged.                        | Social Empowerment                            | Local areas   | 5.00   | 5.00  | 5.00   | Through Implementing Agency - Aastha Welfare Charitable Trust for welfare of the mentally challenged.                        |
| 2.             | Sheth Shree Nathalal Nagardas Sarvajanik Hospital and Smt. Santokben Girdharlal Maternity Home | Health care                                   | Local areas   | 11.00  | 11.00   | 11.00  | Through Implementing Agency - Sheth Shree Nathalal Nagardas Sarvajanik Hospital and Smt. Santokben Girdharlal Maternity Home |

**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:**

Sd/-  
Mr. Ambar Patel  
Managing Director

Sd/-  
Mr. Nipam Shah  
Chairman – CSR Committee

#### ANNEXURE – IV

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

##### Disclosure no. 1

|  |   |               |
|--|---|---------------|
| Variations in the market capitalization  | : | ₹ 851.75 Lacs |
| Price Earnings Ratio as at the closing date of current financial year  | : | 6.17          |
| Price Earnings Ratio as at the closing date of previous financial year   | : | 4.60          |
| Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which company came out with the last public offer | : | 127.5%        |

##### Disclosure no. 2

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

|                     |   |            |
|---------------------|---|------------|
| Mr. Ambar Patel     | : | 1 : 0.0500 |
| Mr. Roshan Shah     | : | 1 : 0.0476 |
| Mr. Gajanan Bhavsar | : | 1 : 0.0476 |
| Mr. Vithaldas Patel | : | 1 : 0.1667 |

##### Disclosure no. 3

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  | : | 15.00%         |
| Mr. Roshan Shah – Wholetime Director   | : | 15.00%         |
| Mr. Gajanan Bhavsar – Wholetime Director   | : | 15.00%         |
| Mr. Vithaldas Patel – Non-Executive Director ( <i>fixed remuneration for a term of three years</i> ) | : | -              |
| Mr. Pragnesh Darji – Company Secretary   | : | 18.00%         |
| Mr. Chandraprakash Devpura – Chief Financial Officer   | : | 14.00%         |
| Ms. Gurnish Chhabda – Company Secretary ( <i>appointed with effect from 19/01/2015</i> )             | : | Not Applicable |

##### Disclosure no. 4

|   |   |   |
|---|---|---|
| Percentage increase in the median remuneration of the employees in the financial year   | : | 11.95%  |
| No. of permanent employees on the rolls of the Company  | : | 203 employees   |
| Explanation on the relationship between average increase in remuneration and company performance  | : | The overall increase in the remuneration – 12.5 % against the increase in the turnover of the company of ₹ 319.58 lacs for the financial year 2014-15 |
| Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company   | : | Increase in remuneration of KMP – 15% against the increase in revenue of the company of ₹ 380.68 Lacs for the financial year 2014-15                  |
| 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 | : | 10.00%(Non-Managerial Personnel)<br>15.00%(Key Managerial Personnel)  |
| Key parameters for any variable components of remuneration availed by the directors   | : | Company Performance, Periodical Reviews, Skills and Competence  |
| Ratio of the Remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year   | : | None  |

On the behalf of The Board of Directors

Place : Rakanpur  
Date : 08.08.2015

Baldev Patel  
(Chairman)

Ambar Patel  
(Managing Director)

### ANNEXURE – V

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended on 31<sup>st</sup> March, 2015:

#### (A) Conservation of Energy

(i) The steps taken or impact on conservation of energy:

**a. Plating bath pumps flow controlled up to desired level by changing VFD settings.**

Saving per pump 0.1 units per hrs.  
 $0.1 \times 24 \text{ Hrs} = 2.4 \text{ units per day}$   
 $2.4 \times 26 \text{ days} = 62.4 \text{ units per month}$   
 $62.4 \times 12 \text{ months} = 748.8 \text{ units per year}$   
 $748.8 \times 58 \text{ nos. of pumps} = 43430.4 \text{ units per year}$   
 $43430.4 \times ₹7.5 = 325728 ₹ \text{ per year saving}$

**b. Auto timer & VFD installed in AHU 2nos.**

Saving 59.2 units per day  
 $59.2 \times 26 \text{ days} = 1539.2 \text{ units per month}$   
 $1539.2 \times 12 \text{ month} = 18470.4 \text{ units per year}$   
 $18470.4 \times 7.5 = 138528 ₹ \text{ per month saving}$

**c. Atomization of chrome area exhaust blowers**

Saving 17.6 units per day  
 $17.6 \times 26 \text{ days} = 457.6 \text{ units per month}$   
 $457.6 \times 12 \text{ month} = 5491.2 \text{ units per year}$   
 $5491.2 \times 7.5 = 41184 ₹ \text{ per month saving}$

**d. Replaced CFL lights by LED lights at different areas**

Saving 2.24 units per day  
 $2.24 \times 26 \text{ days} = 58.24 \text{ units per month}$   
 $58.24 \times 12 \text{ month} = 698.8 \text{ units per year}$   
 $698.8 \times 7.5 = 5241 ₹ \text{ per month saving}$

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

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

(iv) Total energy consumption during the year:-

| Particulars             | Current Year<br>April 2014 to March 2015 |              |               | Previous Year<br>April 2013 to March 2014 |              |               |
|-------------------------|--|--------------|---------------|---|--------------|---------------|
|                         | Lacs Units<br>(KWH)                      | Amt.<br>in ₹ | ₹ Per<br>Unit | Lacs Units<br>(KWH)                       | Amt.<br>in ₹ | ₹ Per<br>Unit |
| (a) Electricity         |  |              |               |   |              |               |
| Purchased               | 4139640                                  | 31254261     | 7.55          | 3957370                                   | 27647170     | 6.98          |
| Own Generation          | 3595505                                  | 25250727     | 6.66          | 3531528                                   | 24299210     | 6.27          |
| (b) Diesel for DG Sets* | 25600 Ltr                                | 1721727      | 2.48Ltr/Kwh   | 45600 Ltr                                 | 2829210      | 2.41Ltr/Kwh   |

\*Note: For —F.Y.2014-15—63710 Units Generated at the Cost of ₹ 1721727 (25600 Ltrs Diesel)

For— F.Y.2013-14- 110140Units Generated at the Cost of ₹ 2829210 (45600 Ltrs Diesel)

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 39 & 40 in the Notes to Financial Statements.

On the behalf of The Board of Directors

Place : Rakanpur  
Date : 08.08.2015

Baldev Patel  
(Chairman)

Ambar Patel  
(Managing Director)

**ECONOMY OVERVIEW:**

The Indian economy in 2014-15 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others. The Reserve Bank of India (RBI) had tightened the monetary policy and having moved to flexible inflation targeting.

The Indian manufacturing sector is likely to benefit from lower interest rates and had strike a growth to 1.2% in this fiscal year as compared to that of -0.4% in the year 2013-2014.

Flexible Packaging Industry has served the Indian economy by helping preservation of the quality and lengthening the shelf life of innumerable products - ranging from milk and biscuits, to drugs and medicines, processed and semi-processed foods, fruits and vegetables, edible oils, electronic goods, etc., besides domestic appliances and industrial machinery and other hardware needing transportation. The packaging industry's growth has led to greater specialization and sophistication from the point of view of health (in the case of packaged foods and medicines) and environment friendliness of packing material.

**INDUSTRY STRUCTURE & DEVELOPMENT:****Gravure Industry:**

The share of different print processes in the production of flexible-packaging material—used in huge quantities by brand owners to pack food products and confectionery—shows gravure to be well positioned. Gravure's USPs, such as excellent quality and high consistency, even with very long print runs, favors its position in these markets. Particularly in packaging production for large brand owners and retail chains, "Gravure" is going strong.

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:**

The Indian packaging industry is growing at 14-15% annually. The growth in the packaging industry in India is mainly driven by the food and the pharmaceutical packaging sectors. The large and growing Indian middle class, along with the growth in organized retailing in the country are fueling growth in the packaging industry. Another factor which has provided substantial stimulus to the packaging machinery industry, is the rapid growth of exports, which requires superior packaging standards for the international market.

While concentrating on supplying the flexible packaging needs of a growing domestic food processing industries amid rapidly growing economies and increasing levels of disposable income, exports from many emerging markets are also rising.

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:**

1. Inflation – especially energy costs - leading to increase in the cost of raw materials and other inputs as well as negatively impacting consumer demand.
2. Inadequate infrastructure - especially power – leading to increased use of captive power resulting in increased cost of manufacturing.
3. Our customers - FMCG producers – shifting suppliers purely on price considerations and this trend can intensify further.

4. The Global Flexible Packaging market has also been witnessing the growing concern for environmentally friendly packaging. However, the highly fragmented market could pose a challenge to the growth of this market.
5. The depreciating rupee and uncertainty of crude prices affects the raw material prices and pressure on the working capital requirements thereby putting pressure on the margins of our customers

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has strong and adequate internal control system commensurate with the size of its operations and nature of its business that provides the framework for the accomplishment of management objectives, safeguarding of assets, accurate financial reporting and compliance with laws and regulations. Your Company has a separate Audit Team comprising of experts in the field of Audit and systems. The team carries extensive Audit of Systems and Accounts throughout the year and submits their report, suggestions, remarks, findings to management regularly.

Your Company has an audit committee of Board of directors, the details of which have been provided in the Corporate Governance Report. The Audit Committee is regularly reviewing the Internal Audit Reports and after the audit carried out by an Independent Chartered Accountant firm in all the key areas of the operations of the Company, the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors.

#### **HUMAN RESOURCES / INDUSTRY RELATIONS:**

Your Company focusses on collective prosperity. At SHILP, every employee works towards team goals and in turn towards the larger departmental and organizational goals. SHILP addresses four core areas for their employees viz. incentives, benefits, recognition and growth.

As the organization moves closer towards growth, there comes an additional responsibility for every individual and your Company is focused on this area as well. One of the strong areas at SHILP is people management and the philosophy is that no matter what, the dignity and respect of every individual in the organization has to be maintained and honoured.

#### **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 could differ materially from those expressed or implied. Company's operations should be viewed in light of changes in market 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.

#### **On the behalf of the Board of Directors**

*Place : Rakanpur*  
*Date : 08.08.2015*

*Baldev Patel*  
*(Chairman)*

*Ambar Patel*  
*(Managing Director)*

## CORPORATE GOVERNANCE REPORT (Pursuant to Clause 49 of the Listing Agreement)

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

Shilp Gravures Limited ("the Company") is committed to conduct its business in compliance with the applicable laws, rules and regulations and with the highest standards of business ethics. We, at the Company, believe that good corporate governance is a key contributor to sustainable corporate growth and creating superior value for our stakeholders. It is primarily concerned with transparency, accountability, fairness, professionalism, social responsiveness, complete disclosure of material facts and independence of Board. The Company endeavors its best to constantly comply with these aspects in values and in spirit, in addition to the statutory compliances as required under clause 49 of Listing Agreement with the Stock Exchange.

Our Corporate Governance framework has helped us to be aligned with the new guidelines of the Companies Act, 2013. We believe that an active, well-informed and independent board is necessary to ensure the highest standards of the Corporate Governance.

### 2. BOARD OF DIRECTORS:

- i) Shilp Gravures Limited has an optimum combination of executive and non-executive directors on its Board. As on 31<sup>st</sup> March, 2015, the Company's Board of Directors comprised of 12 (Twelve) Directors, with a Managing Director, 2 (Two) Whole-time Directors, 3 (Three) Non - Executive Directors (including one Woman Director) and 6 (Six) Independent Directors. The Chairman of the Company is a Non-Executive Director. The composition of the Board meets the requirement of having atleast 1 (one) Woman Director and is in conformity with Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange. None of the Non - Executive Directors is responsible for the day to day affairs of the Company.
- ii) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and committee Chairmanships held by them in other public Companies as on March 31, 2015, are given hereinbelow. The other disclosures regarding the Directorship of the Directors are as under:
  - Other directorship do not include alternate directorships, directorships of private limited Companies, section 25 Companies and of Companies incorporated outside India.
  - Chairmanships/ memberships of Board committees include only Audit Committee and Stakeholder's Relationship Committee.
  - As required by Section 165(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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, 2015, 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.

**The Composition of the Board, attendance at the Meetings of Board of Directors held during the year and at the last Annual General Meeting (AGM), number of Directorships and Memberships of Committees as on 31<sup>st</sup> March, 2015 is as follows:**

| Name of Director      | Category of Directorship | No. of Board Meetings attended | Attendance at Last AGM | Other Directorships | Committee Memberships | Committee Chairmanships |
|-----------------------|--------------------------|--------------------------------|------------------------|---------------------|-----------------------|-------------------------|
| Mr. Ambar Patel       | MD                       | 4/4                            | Yes                    | -                   | -                     | -                       |
| Mr. Roshan Shah       | WTD                      | 4/4                            | Yes                    | -                   | -                     | -                       |
| Mr. G. V. Bhavsar     | WTD                      | 4/4                            | Yes                    | -                   | -                     | -                       |
| Mr. Baldev Patel *    | NED (Pr)                 | 0/0                            | -                      | -                   | -                     | -                       |
| Mr. Vithaldas Patel   | NED (Pr)                 | 2/4                            | No                     | -                   | -                     | -                       |
| Mrs. Monica Kanuga ** | NED (P)                  | 2/2                            | -                      | -                   | -                     | -                       |
| Mr. Nipam R. Shah     | NED (I)                  | 4/4                            | Yes                    | -                   | -                     | -                       |
| Mr. Shailesh Desai    | NED (I)                  | 4/4                            | Yes                    | -                   | -                     | -                       |
| Mr. Chinubhai Shah    | NED (I)                  | 4/4                            | Yes                    | 10                  | 05                    | 02                      |
| Mr. Rajendra Shah     | NED (I)                  | 1/4                            | No                     | 06                  | 01                    | 03                      |
| Dr. Navin Patel       | NED (I)                  | 3/4                            | Yes                    | -                   | -                     | -                       |
| Mr. Jainand Vyas      | NED (I)                  | 4/4                            | Yes                    | 02                  | -                     | -                       |

MD- Managing Director; WTD- Whole Time Director; NED - Non Executive Director, I- Independent, P – Professional, Pr – Promoter

- Appointed in last and fourth quarter of the meeting of the Board.
- Appointed in the second quarter of the meeting of the Board.

- iii) During the year under review, 4 (Four) Board Meetings were held on 1<sup>st</sup> May, 2014, 26<sup>th</sup> July, 2014, 14<sup>th</sup> November, 2014 and 3<sup>rd</sup> February, 2015. The Company's last Annual General Meeting was held on 3<sup>rd</sup> September, 2014. The maximum time gap between 2 Board meetings did not exceed more than 4 months as prescribed under the Listing agreement.

The Board discusses amongst other business, the quarterly performance of the Company and financial results. The Agenda papers along with agenda notes are circulated well in advance to the Members of the Board for their review and to facilitate them to take informed decisions, if any.

- iv) During the year 2014-15, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has always been placed before the Board for its consideration at the Board Meeting.

v) **Appointment / Re-appointment of Directors:**

According to Articles of Association, one third of the directors retire by rotation every year and if eligible, offer himself for re-appointment at the Annual General Meeting. As per Article 126 of Articles of Association, Mr. Nipam Shah will retire at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The Company has received the notice along with the requisite deposit from member of the Company pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Dr. Baldev Patel, an Additional Director appointed to hold office upto the date of the ensuing Annual General Meeting, for the office of Director.

The Board has recommended to the shareholders the appointment / re-appointment of the aforesaid director retiring by rotation and regularizing of the Additional Director, as in the opinion of the Board, they fulfill the conditions specified in the Act for holding the office of Director. The Detailed resume of the aforesaid proposed appointees who have offered themselves for appointment / reappointment are provided in the Annexure to the Notice of the Annual General Meeting dated 8<sup>th</sup> August, 2015.

vi) **Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors was held on 21<sup>st</sup> March, 2015 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

vii) **Induction and Training of Board Members:**

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 will include interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site, etc.

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

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholder's interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the evaluation of Non-Independent Directors was carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

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 Managing Director 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. The trading window will remain close during 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:

- i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange read with Section 177 of the Companies Act, 2013 ("Act").
- ii) The composition of the Audit Committee and the details of meetings attended by its members are given below:

| Name                          | Category   | Number of meetings during the year 2014-15 |          |
|-------------------------------|--|--|----------|
|                               |  | Held                                       | Attended |
| Mr. Chinubhai Shah (Chairman) | Independent, Non - Executive                     | 4  | 4        |
| Mr. Shailesh Desai            | Independent, Non - Executive                     | 4  | 4        |
| Mr. Ambar Patel               | Non - Independent, Executive (Managing Director) | 4  | 4        |

- iii) Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: 1<sup>st</sup> May, 2014; 26<sup>th</sup> July, 2014; 14<sup>th</sup> November, 2014; and 3<sup>rd</sup> February, 2015.  
The necessary quorum was present for all the meetings.
- iv) The Audit Committee invites such of the executives, as it considers appropriate particularly the head of the Finance Function, representatives of the Statutory Auditors and representative of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- v) The previous Annual General Meeting (AGM) of the Company was held on 3<sup>rd</sup> September, 2014 and was attended by Mr. Chinubhai R. Shah, Chairman of the Audit Committee.
- vi) 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 judgment 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:

### i) Constitution of Nomination & Remuneration Committee:

The Nomination & Remuneration Committee comprises of 3 members. All the members (including Chairman) of the Committee are Non-executive, Independent Directors.

The Remuneration Committee was renamed as Nomination & Remuneration Committee vide Circular Resolution and was noted by the Board of Directors of the Company on 26<sup>th</sup> July, 2014 in compliance with the provisions of the Companies Act, 2013. The Company has taken necessary steps to adequately comply with the Clause 49 of the Listing Agreement.

### ii) 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.

### iii) The composition of the Nomination & Remuneration Committee and the details of meetings attended by its members are given below:

| Name                         | Category                     | Number of meetings during the year 2014-15 |          |
|------------------------------|------------------------------|--|----------|
|                              |                              | Held                                       | Attended |
| Mr. Shailesh Desai(Chairman) | Independent, Non - Executive | 2  | 2        |
| Mr. Chinubhai Shah           | Independent, Non - Executive | 2  | 2        |
| Dr. Navin Patel              | Independent, Non - Executive | 2  | 2        |

Two meetings of the Nomination & Remuneration Committee were held during the year on 26<sup>th</sup> July, 2014 and 3<sup>rd</sup> February, 2015. Necessary quorum was present at the meetings held.

### iv) The Company does not have any Employee Stock Option Scheme.

### v) **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 1<sup>st</sup> 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 shall be paid 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.

vi) **Details of Remuneration for the year ended March 31, 2015 are given below:**

- **Executive Directors:**

|                          | Name of Directors (₹ in lacs)          |  |  |
|--------------------------|--|--|--|
|                          | Mr. Ambar Patel<br>[Managing Director] | Mr. Roshan Shah<br>[Whole-Time Director] | Mr. G. V. Bhavsar<br>[Whole-Time Director] |
| Salary                   | 31.47                                  | 31.08                                    | 31.08                                      |
| Perquisites & Allowances | 11.57                                  | 11.45                                    | 11.45                                      |
| Retirement Benefits      | 8.49                                   | 8.39                                     | 8.39                                       |
| <b>Total</b>             | <b>51.53</b>                           | <b>50.92</b>                             | <b>50.92</b>                               |
| No. of Shares            | 243910                                 | 313404                                   | 309410                                     |

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, 2015.

- **Non-Executive Directors:**

During the year 2014-15, the Company has paid sitting fees of ₹ 15,000/- per meeting to its Non – Executive Directors for attending meetings of the Board of Directors and Audit Committee meetings whereas ₹ 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, 2015 is as follows:

| Name of Director      | Particulars                   |                          |               |
|-----------------------|-------------------------------|--------------------------|---------------|
|                       | Sitting Fees Paid (₹ In Lacs) | Remuneration (₹ In Lacs) | No. of Shares |
| Mr. Vithaldas Patel * | —                             | 15.00                    | 765756        |
| Mr. Shailesh Desai    | 1.50                          | —                        | 1000          |
| Dr. Navin Patel       | 0.65                          | —                        | NIL           |
| Mr. Chinubhai Shah    | 1.40                          | —                        | NIL           |
| Mr. Rajendra Shah     | 0.40                          | —                        | NIL           |
| Mr. Jainand Vyas      | 0.60                          | —                        | 1000          |
| Mr. Nipam R. Shah **  | 0.60                          | 8.79                     | —             |
| Mrs. Monica Kanuga    | 0.30                          | —                        | —             |
| Dr. Baldev Patel ***  | —                             | —                        | —             |

\* Approval of members of the Company to pay remuneration of ₹ 15.00 Lacs p.a. to Mr. Vithaldas Patel, Non – Executive Director was obtained in the 19<sup>th</sup> AGM and subsequently, an approval to pay the same was obtained from Ministry of Corporate Affairs vide its letter dated 18<sup>th</sup> November, 2013. As the said Non-executive Director was in receipt of the remuneration, hence he was not eligible for any sitting fees.

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

\*\*\* Appointed as Additional – Non-executive Director w.e.f. 3<sup>rd</sup> February, 2015.

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

### C. Stakeholders’ Relationship Committee:

i) Constitution of Stakeholder’s Relationship Committee:

The Company has a Stakeholders’ Relationship Committee of Directors 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 Clause 49 of the Listing Agreement.

The Shareholder's Grievance Committee was renamed as Stakeholder's Relationship Committee vide Circular Resolution and was noted by the Board of Directors of the Company on 26<sup>th</sup> July, 2014 in compliance with the provisions of the Companies Act, 2013.

- ii) One meeting of the Stakeholders' Relationship Committee was held during the year on 1<sup>st</sup> May, 2014. Necessary quorum was present for the meeting.
- iii) The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

| Name                        | Category  | Number of meetings during the year 2014-15 |          |
|-----------------------------|---|--|----------|
|                             |   | Held                                       | Attended |
| Mr. Rajendra Shah(Chairman) | Independent, Non - Executive                    | 1  | 1        |
| Mr. Shailesh Desai          | Independent, Non - Executive                    | 1  | 1        |
| Mr. Ambar Patel             | Non - Independent, Executive(Managing Director) | 1  | 1        |

The Company Secretary is designated as the Compliance officer and Secretary of the Committee.

The Board has delegated the powers to approve transfers of shares / transmissions to Company Secretary and one Senior Executive of the Company.

- iv) **Name, designation and address of Compliance Officer:**

Ms. Gurnish Chhabda  
 Company Secretary  
 Shilp Gravures Limited,  
 778/6 Pramukh Industrial Estate, Sola-Santej Road, Village: Rakanpur, Tal. Kalol, Dist. Gandhinagar-382 721, Gujarat, India  
 Email: cs@shilpgravures.com M.: +91 99252 46511, Tel.: 02764 - 286323, Fax: 02764 - 286335

- v) **Details of Investors' complaints received and redressed during the year 2014-15 are as follows:**

| Particulars             | No. of Complaints pending at the beginning of year | No. of Complaints received during the year | No. of Complaints redressed during the year | No. of Complaints pending at the end of the year |
|-------------------------|--|--|---|--|
| Related to Shares       | Nil  | Nil  | Nil   | Nil  |
| Non receipt of Dividend | Nil  | 2  | 2   | Nil  |

#### D. CSR Committee:

- i) During the year the Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013.
- ii) The composition of the CSR Committee and the details of meetings attended by its members are given below:

| Name                     | Category  | Number of meetings during the year 2014-15 |          |
|--------------------------|---|--|----------|
|                          |   | Held                                       | Attended |
| Mr. Nipam Shah(Chairman) | Independent, Non - Executive                    | 1  | 1        |
| Mr. Shailesh Desai       | Independent, Non - Executive                    | 1  | 1        |
| Mr. Ambar Patel          | Non - Independent, Executive(Managing Director) | 1  | 1        |

- iii) One meeting of the CSR Committee was held during the year on 14<sup>th</sup> November, 2014. 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, 2015 is attached as an Annexure to the Board's Report.

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

- i) General Meeting  
 a. Annual General Meeting

| Financial Year | Date                            | Time       | Venue   |
|----------------|---------------------------------|------------|---|
| 2013-2014      | 3 <sup>rd</sup> September, 2014 | 05.00 P.M. | 778/6, Pramukh Industrial Estate, Sola-Santej Road, Vill: Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 721, Gujarat, India |
| 2012-2013      | 14 <sup>th</sup> August, 2013   |            |   |
| 2011-2012      | 4 <sup>th</sup> August, 2012    |            |   |

- b. Extra Ordinary General Meeting :- No Extra – Ordinary General Meeting of the members was held during the year 2014-15

- ii) Postal Ballot :  
 No Postal Ballot was conducted during the year 2014-15.
- iii) The following Special Resolutions were passed in last three Annual General Meetings:

| Date of Meeting                 | Resolutions   |
|---------------------------------|---|
| 3 <sup>rd</sup> September, 2014 | - Revision in terms of appointment of Mr. Gajanan Bhavsar<br>- Revision in terms of appointment of Mr. Roshan Shah<br>- Transaction with Related Party u/s 188 of the Companies Act, 2013   |
| 14 <sup>th</sup> August, 2013   | Nil   |
| 4 <sup>th</sup> August, 2012    | - Re-appointment of Executive Directors viz. Mr. Ambar Patel (Managing Director), Mr. Roshan R. Shah (Whole – Time Director - Marketing), Mr. G. V. Bhavsar (Whole – Time Director) for the period of 3 years w.e.f. 01.07.2012 and remuneration payable to them.<br>- Approval of Payment of Remuneration to Mr. Vitthaldas H. Patel, Non – Executive Director |

#### 5. 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 to Financial Statements for the year 31<sup>st</sup> March, 2015, 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. The web-link as required under Listing Agreement is as under:

<http://www.shilpgravures.com/pdf/Related%20Party%20Transaction%20Policy.pdf>

- ii) **Compliance**

Details of 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 : Nil

- 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 and web-link to the same is as under-  
<http://www.shilpgravures.com/pdf/Whistle%20Blower%20Policy.pdf>

- iv) **The compliance with regard to the Mandatory requirements and adoption of Non-mandatory requirements of Clause 49 are specified hereunder:**

**Mandatory Requirements:-**

The Company complies with all the mandatory requirements of Clause 49 of the Listing Agreement on Code of 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 of the Clause 49 of the Listing Agreement with Stock Exchange is provided below:-

- 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) Audit Qualifications : The statutory financial statements of the Company are unqualified.

- c) Separate posts of Chairman and CEO : The Chairman of the Board is a Non-executive Director 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) **Disclosure Of Accounting Treatment**  
The Company had followed all the relevant Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 while preparing Financial Statements.
- vi) **Disclosure of relationships between the Directors inter-se**  
None of the Directors have any relationships inter-se.
- vii) **Subsidiary Company**  
The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the Board meetings alongwith a report on significant developments of the unlisted subsidiary Companies are periodically placed before the Board of Directors of the Company.

## 6. CEO/CFO CERTIFICATION:

The requisite certification from the Managing Director and Chief Financial Officer required to be given under Clause 49(IX) has been placed before the Board of Directors of the Company and is being reproduced hereunder for your reference.

### Certification

To,

The Board of Directors  
Shilp Gravures Limited

We, Mr. Ambar J. Patel, Managing Director 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 2014-2015 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.

**Mr. Ambar J. Patel**

*Managing Director*

Place : Rakanpur

Date : 02<sup>nd</sup> May, 2015

**Mr. Amit Agrawal**

*Chief Financial Officer*

Place : Rakanpur

Date : 02<sup>nd</sup> May, 2015

## 7. MEANS OF COMMUNICATION:

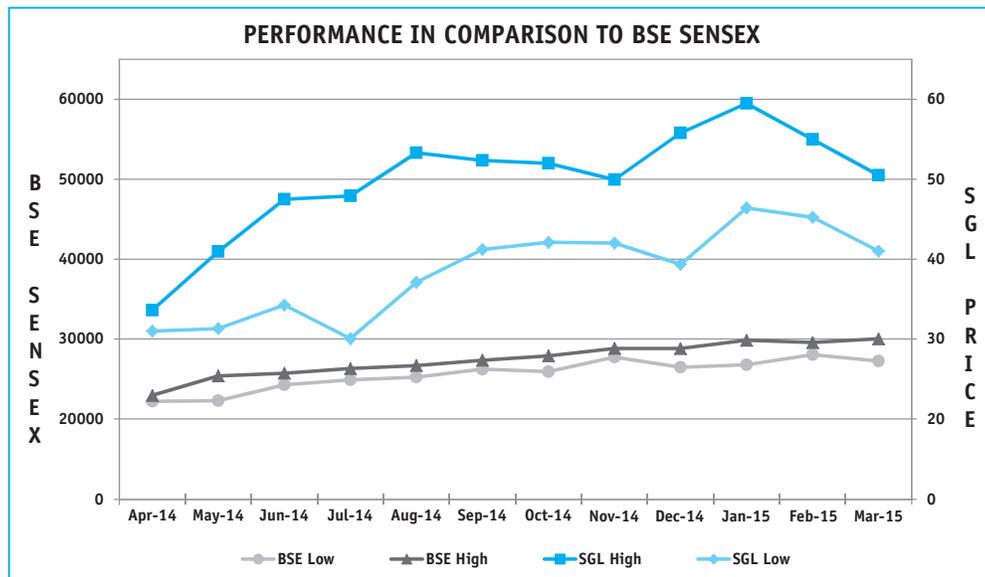
|      |  |  |
|------|--|--|
| i.   | <b>Quarterly results</b>   | : <b>The quarterly, half yearly and annual results of the Company are published in leading newspapers in India</b> |
| ii.  | Newspapers wherein results are normally published                    | : "Indian Express" in English "Financial 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   |

## 8. GENERAL SHAREHOLDER INFORMATION:

- i) **Corporate Identification Number** : L27100GJ1993PLC020552
- ii) **Annual General Meeting** :
- Date : 23<sup>rd</sup> September, 2015
- Time : 4:00 p.m.
- Venue : 778/6, Pramukh Industrial Estate, Sola-Santej Road, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar-382 721, Gujarat
- iii) **Financial Calendar** :
- Year ending : March 31
- AGM in : September
- iv) **Book Closure** : Saturday, the 19<sup>th</sup> day of September, 2015 to Wednesday, the 23<sup>rd</sup> day of September, 2015 (both days inclusive).
- v) **Dividend Payment Date** :
- i) Dividend, if declared will be paid to:
- (a) The members in respect of shares held in physical form, after giving effect to all valid transfers of shares in physical form lodged with the Company on or before the close of business hours on 18<sup>th</sup> September, 2015.
- (b) The members whose names will appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 18<sup>th</sup> September, 2015, in respect of shares held in Demat form.
- ii) Dividend warrants / Demand Drafts made payable on or after 23<sup>rd</sup> September, 2015 will be posted to members at their registered address.
- vi) **Listing on Stock Exchanges:**
- The Company's shares are listed at Bombay Stock Exchange (BSE).
- The Company has paid the Listing fee for the year 2015-2016 to the Stock Exchange.
- vii) **Stock Code/ Symbol:**
- Stock Code : 513709
- Stock Symbol : SHILGRAVQ
- ISIN : INE960A01017

viii) **Stock Performance:**

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, 2015 is given below:



| Month  | SGL (High) | SGL (Low) | BSE (High) | BSE (Low) |
|--------|------------|-----------|------------|-----------|
| Apr-14 | 33.60      | 31.00     | 22939.31   | 22197.51  |
| May-14 | 40.95      | 31.30     | 25375.63   | 22277.04  |
| Jun-14 | 47.50      | 34.25     | 25725.12   | 24270.20  |
| Jul-14 | 47.90      | 30.05     | 26300.17   | 24892.00  |
| Aug-14 | 53.30      | 37.10     | 26674.38   | 25232.82  |
| Sep-14 | 52.35      | 41.20     | 27354.99   | 26220.49  |
| Oct-14 | 52.00      | 42.10     | 27894.32   | 25910.77  |
| Nov-14 | 49.95      | 42.00     | 28822.37   | 27739.56  |
| Dec-14 | 55.80      | 39.35     | 28809.64   | 26469.42  |
| Jan-15 | 59.50      | 46.40     | 29844.16   | 26776.12  |
| Feb-15 | 55.00      | 45.25     | 29560.32   | 28044.49  |
| Mar-15 | 50.50      | 41.00     | 30024.74   | 27248.45  |

ix) **Registrar and Share Transfer Agent:**

Name and Address: **M/s. Sharepro Services (India) Private Limited**

416 – 420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006, Gujarat, India

Telephone : 079 – 2658 2381/ 2/ 3

Email : bharti.parikh@shareproservices.com

Website : www.shareproservices.com

x) **Share Transfer System:**

Share Transfer Agent attends to the share transfer work once in a fortnight and shares are transferred if the documents are clear in all respects. Requests for Issue of Duplicate Shares / Fresh Share Certificate / Transmission / Consolidation of Shares are under the authority of Company Secretary. Pursuant to clause 47(C) of the listing agreement with the Stock Exchange, certificate on half yearly basis, has been issued by a Company Secretary in Practice for due compliance of share transfer formalities.

All requests for dematerialisation of shares are processed and the confirmation is generally given to the Depositories within 15 days. Pursuant to SEBI directive, certificate on quarterly basis is received from Company Secretary in Practice for timely dematerialisation of shares and reconciliation of the share capital of the Company.

xi) **Shareholding as on March 31, 2015:**

a) Distribution of equity shareholding as on March 31, 2015:

| Number of Shares<br>Category (shares) | Shareholders   |               | Shareholding   |               |
|---------------------------------------|----------------|---------------|----------------|---------------|
|                                       | No. of Holders | %             | No. of shares  | %             |
| 1 – 500                               | 3851           | 87.70         | 523178         | 8.51          |
| 501 – 1000                            | 216            | 4.92          | 180017         | 2.93          |
| 1001 – 2000                           | 122            | 2.78          | 183823         | 2.99          |
| 2001 – 3000                           | 61             | 1.39          | 154397         | 2.51          |
| 3001 – 4000                           | 20             | 0.46          | 71502          | 1.16          |
| 4001 – 5000                           | 14             | 0.32          | 65554          | 1.07          |
| 5001 – 10000                          | 51             | 1.16          | 368322         | 5.99          |
| 10001 - 20000                         | 20             | 0.46          | 281870         | 4.58          |
| 20001 and Above                       | 36             | 0.82          | 4321137        | 70.26         |
| <b>Total</b>                          | <b>4391</b>    | <b>100.00</b> | <b>6149800</b> | <b>100.00</b> |

b) Categories of equity shareholders as on March 31, 2015:

| Category                     | No. of Shares  | (%)           |
|------------------------------|----------------|---------------|
| Indian Promoters             | 1940764        | 31.56         |
| Foreign Promoters            | 1756478        | 28.56         |
| Financial Institutions/Banks | 0              | 0             |
| Body Corporate               | 173117         | 2.82          |
| Indian Public                | 1973833        | 32.10         |
| NRI (Repatriable)            | 296814         | 4.83          |
| NRI (Non-Repatriable)        | 2090           | 0.03          |
| Shares in Transit            | 6704           | 0.10          |
| <b>Grand Total</b>           | <b>6149800</b> | <b>100.00</b> |

c) Distribution of physical & dematerialized shares on March 31, 2015:

| Total Paid-up & Listed Capital | Physical Holding |      |                     | Demat Holding |       |                     |
|--------------------------------|------------------|------|---------------------|---------------|-------|---------------------|
|                                | No. Of Shares    | %    | No. Of Shareholders | No. Of Shares | %     | No. Of Shareholders |
| 61,49,800 Shares               | 552900           | 8.99 | 1767                | 5596900       | 91.01 | 2624                |

xii) **Plant Location:**

The Company's plant is located at:

**Factory & Registered Office:**

**Shilp Gravures Limited**

778/6, Pramukh Industrial Estate, Sola-Santej Road, Village Rakanpur, Taluka Kalol, Dist. Gandhinagar - 382 721, Gujarat, India.

The factory and the registered office of the Company's subsidiary company is located at –

**Re Shilp Equipments (India) Private Limited**

3 - 4, Raghuvir Industrial Estate, Nr. Kothari Cross Road, Village: Santej, Tal. Kalol, Dist. Gandhinagar – 382 721, Gujarat, India

xiii) **Address of Correspondence:**

**Shilp Gravures Limited**

778/6 Pramukh Industrial Estate, Sola – Santej Road, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar – 382 721, Gujarat, India

Tel. No.: +91 2764 286323, Fax No. : +91 2764 286335

Designated e-mail address for Investor Services: purvipatel@shilpgravures.com Website: www.shilpgravures.com

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

**Place : Rakanpur**  
**Date : 08.08.2015**

**Baldev Patel**  
**(Chairman)**

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

**DECLARATION BY MANAGING DIRECTOR**

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, 2015, 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, 2015.

**Place : Rakanpur**  
**Date : 8<sup>th</sup> August, 2015**

**Ambar Patel**  
**Managing Director**

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF SHILP GRAVURES LIMITED

We have examined the compliance of conditions of Corporate Governance by **SHILP GRAVURES LIMITED ("the Company")** for the year ended on 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the clause. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For DELOITTE HASKINS & SELLS**

(Registration No. 117365W)

**Gaurav J. Shah**

Partner

(Membership No. 35701)

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SHILP GRAVURES LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SHILP GRAVURES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

While conducting the 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.

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the standalone financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Gaurav J. Shah**  
Partner

Membership No. 35701

AHMEDABAD, 2<sup>nd</sup> May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date on financial statements of Shilp Gravures Limited for the year ended 31<sup>st</sup> March, 2015)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets 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 fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, would apply. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us, in our opinion the company is not required to maintain prescribed cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) 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, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) 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, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax and Service Tax which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes are given below:

| Name of Statute          | Nature of Dues | Forum where Dispute is pending                        | Period to which amount relates             | Amount Involved (₹ in Lacs) |
|--------------------------|----------------|---|--|-----------------------------|
| The Income Tax Act, 1961 | Income Tax     | Commissioner of                                       | A.Y. 2012-13<br>Income Tax (Appeals)       | 28.45                       |
| The Income Tax Act, 1961 | Income Tax     | Commissioner of )                                     | A.Y. 2010-11<br>Income Tax (Appeals)       | 33.58                       |
| The Income Tax Act, 1961 | Income Tax     | Commissioner of                                       | A.Y. 2009-10<br>Income Tax (Appeals)       | 13.46                       |
| Finance Act, 1994        | Service Tax    | Custom Excise and Service Tax Appellate Tribunal      | From April 1, 2007 to December 31, 2009    | 4.75                        |
| Finance Act, 1994        | Service Tax    | Custom Excise and Service Tax Appellate Tribunal      | From January 1, 2013 to September 30, 2013 | 1.87                        |
| Finance Act, 1994        | Service Tax    | Commissioner Appeals of Custom Excise and Service Tax | From October 1, 2013 to September 30, 2014 | 2.48                        |

There are no dues of Sales Tax, Wealth Tax, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes by the aforesaid entities.

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not, prima facie, prejudicial to the interest of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**Gaurav J. Shah**  
Partner  
Membership No. 35701

AHMEDABAD, 2<sup>nd</sup> May, 2015

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2015**

(₹ in Lacs)

| PARTICULARS  | NOTE NO. | AS AT<br>31st MARCH, 2015 | AS AT<br>31st MARCH, 2014 |
|--|----------|---------------------------|---------------------------|
| <b>EQUITY AND LIABILITIES</b>  |          |                           |                           |
| <b>SHAREHOLDERS' FUNDS</b>   |          |                           |                           |
| Share capital  | 3        | 614.98                    | 614.98                    |
| Reserves and surplus   | 4        | 3,854.91                  | 3,553.92                  |
|  |          | <b>4,469.89</b>           | <b>4,168.90</b>           |
| <b>NON-CURRENT LIABILITIES</b>   |          |                           |                           |
| Long-term borrowings   | 5        | 434.23                    | 923.98                    |
| Deferred tax liabilities (net)   | 6        | 530.32                    | 565.95                    |
| Long-term provisions   | 7        | 82.51                     | 93.57                     |
|  |          | <b>1,047.06</b>           | <b>1,583.50</b>           |
| <b>CURRENT LIABILITIES</b>   |          |                           |                           |
| Short-term borrowings  | 8        | 840.18                    | 653.56                    |
| Trade payables   | 9        | 596.50                    | 461.46                    |
| Other current liabilities  | 10       | 399.44                    | 431.19                    |
| Short-term provisions  | 11       | 99.29                     | 95.06                     |
|  |          | <b>1,935.41</b>           | <b>1,641.27</b>           |
|  |          | <b>7,452.36</b>           | <b>7,393.67</b>           |
| <b>TOTAL</b>   |          |                           |                           |
| <b>ASSETS</b>  |          |                           |                           |
| <b>NON-CURRENT ASSETS</b>  |          |                           |                           |
| Fixed assets   | 12       |                           |                           |
| Tangible assets  |          | 4,556.31                  | 4,898.73                  |
| Intangible assets  |          | -                         | 7.41                      |
| Capital work-in-progress   |          | 7.04                      | 32.28                     |
| Non-current investments  | 13       | 403.97                    | 278.97                    |
| Long-term loans and advances   | 14       | 213.36                    | 190.56                    |
|  |          | <b>5,180.68</b>           | <b>5,407.95</b>           |
| <b>CURRENT ASSETS</b>  |          |                           |                           |
| Current investments  | 15       | 1.75                      | 1.75                      |
| Inventories  | 16       | 604.95                    | 447.08                    |
| Trade receivables  | 17       | 1,396.20                  | 1,248.51                  |
| Cash and cash equivalents  | 18       | 81.26                     | 102.11                    |
| Short-term loans and advances  | 19       | 136.82                    | 169.38                    |
| Other Current Assets   | 20       | 50.70                     | 16.89                     |
|  |          | <b>2,271.68</b>           | <b>1,985.72</b>           |
|  |          | <b>7,452.36</b>           | <b>7,393.67</b>           |
| <b>TOTAL</b>   |          |                           |                           |
| <b>See accompanying notes forming part of the financial statements</b> |          |                           |                           |

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner

Place : Ahmedabad  
Date : 2<sup>nd</sup> May, 2015

For and on behalf of the Board of Directors of  
**Shilp Gravures Limited**
**Ambar J. Patel**  
Managing Director

**Amit Agrawal**  
Chief Financial Officer

Place: Rakanpur  
Date : 2<sup>nd</sup> May, 2015

**Roshan H. Shah**  
Executive Director

**Gurnish Chhabda**  
Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

| PARTICULARS  | NOTE NO. | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|--|----------|--------------------------------|--------------------------------|
| Revenue from Operations (Gross)  | 21       | 6,143.36                       | 5,823.78                       |
| Less: Excise Duty  |          | 410.97                         | 433.85                         |
| Revenue from Operations (Net)  |          | 5,732.39                       | 5,389.93                       |
| Other Income   | 22       | 87.23                          | 49.00                          |
| <b>TOTAL REVENUE</b>   |          | <b>5,819.62</b>                | <b>5,438.93</b>                |
| <b>EXPENSES</b>  |          |                                |                                |
| Cost of raw materials consumed   | 23       | 1,569.73                       | 1,453.88                       |
| Purchases of stock-in-trade  |          | -                              | 3.42                           |
| Changes in inventories of finished goods,<br>work-in-progress and stock-in-trade | 24       | (9.32)                         | 11.79                          |
| Employee benefits expense  | 25       | 1,465.85                       | 1,245.82                       |
| Finance costs  | 26       | 215.16                         | 224.70                         |
| Depreciation and amortisation expense  | 12 & 42  | 623.98                         | 646.31                         |
| Other expenses   | 27       | 1,339.58                       | 1,219.71                       |
| <b>TOTAL EXPENSES</b>  |          | <b>5,204.98</b>                | <b>4,805.63</b>                |
| <b>Profit before Tax</b>   |          | <b>614.64</b>                  | <b>633.30</b>                  |
| <b>Net Tax Expenses</b>  |          |                                |                                |
| Current tax  |          | 164.20                         | 146.00                         |
| Short provision for tax relating to prior years                                  |          | 0.99                           | 17.69                          |
| Net current tax  |          | 165.19                         | 163.69                         |
| Deferred tax   |          | (4.64)                         | 46.68                          |
|  |          | <b>160.55</b>                  | <b>210.37</b>                  |
| <b>Profit for the year</b>   |          | <b>454.09</b>                  | <b>422.93</b>                  |
| <b>Earnings per Share (of ₹ 10 each)</b>   | 28       |                                |                                |
| Basic and Diluted  |          | 7.38                           | 6.88                           |
| <b>See accompanying notes forming part of the financial statements</b>           |          |                                |                                |

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Gaurav J. Shah**

Partner

Place : Ahmedabad

Date : 2<sup>nd</sup> May, 2015

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

**Ambar J. Patel**

Managing Director

**Amit Agrawal**

Chief Financial Officer

Place: Rakanpur

Date : 2<sup>nd</sup> May, 2015

**Roshan H. Shah**

Executive Director

**Gurnish Chhabda**

Company Secretary

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

| Particulars  | YEAR ENDED<br>31st March,<br>2015 | YEAR ENDED<br>31st March,<br>2014 |
|--|-----------------------------------|-----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                    |                                   |                                   |
| Net profit before tax  | 614.64                            | 634.01                            |
| Adjustments for :  |                                   |                                   |
| Depreciation and amortisation                                    | 623.98                            | 646.31                            |
| Bad debts  | 37.61                             | 20.00                             |
| Provision for Doubtful Trade Receivables                         | -                                 | 29.83                             |
| Finance Cost   | 215.16                            | 224.70                            |
| Interest Income  | (14.70)                           | (17.18)                           |
| Dividend Income  | (0.21)                            | (0.21)                            |
| Loss on Sale/Write off of Fixed Assets                           | 1.56                              | 0.19                              |
| Net unrealised exchange (gain)/loss                              | (1.78)                            | 2.31                              |
| Discount on sales  | 47.14                             | 40.13                             |
| Provision for Leave and Gratuity                                 | (9.04)                            | (5.11)                            |
| Provisions no longer required written back                       | (29.83)                           | -                                 |
|  | 869.89                            | 940.97                            |
| Operating profit/(loss) before working capital changes           | 1,484.52                          | 1,574.98                          |
| <u>Changes in Working Capital:</u>                               |                                   |                                   |
| Adjustments for increase / (decrease) in operating liabilities:  |                                   |                                   |
| Trade Payables   | 135.33                            | (46.47)                           |
| Long-term Provisions   | (2.02)                            | (1.06)                            |
| Short-term Provisions  | 2.02                              | (106.86)                          |
| Other Current Liabilities  | (10.74)                           | 191.69                            |
| Adjustments for (increase) / decrease in operating assets:       |                                   |                                   |
| Trade Receivables  | (202.54)                          | (97.82)                           |
| Inventories  | (157.87)                          | (19.68)                           |
| Long-term Loans and Advances (excluding capital advances)        | (0.26)                            | (29.33)                           |
| Short-term Loans and Advances                                    | 32.56                             | (23.50)                           |
| Other Current Assets   | (20.58)                           | 1.74                              |
| Other Non-Current Assets   | -                                 |                                   |
|  | (224.11)                          | (131.29)                          |
| Cash Generated from Operations                                   | 1,260.41                          | 1,443.69                          |
| Taxes Paid   | (181.44)                          | (148.09)                          |
| <b>Net Cash flow from Operating Activities (A)</b>               | <b>1,078.96</b>                   | <b>1,295.60</b>                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                                   |                                   |
| Capital expenditure on fixed assets (including capital advances) | (384.25)                          | (955.32)                          |
| Proceeds from Sale of Fixed Assets                               | 14.74                             | 17.31                             |
| Bank balances not considered as Cash and cash equivalents        |                                   |                                   |
| - Matured  | -                                 | 5.32                              |
| Investments in Joint venture                                     | (125.00)                          | (149.78)                          |
| Loans given to Joint venture                                     | -                                 | (128.00)                          |
| Loans repaid by Joint Venture                                    | -                                 | 168.00                            |
| Interest received  | 1.47                              | 17.18                             |
| Dividend from current investment                                 | 0.21                              | 0.21                              |
| <b>Net Cash Flow (used in) Investing Activities (B)</b>          | <b>(492.82)</b>                   | <b>(1,025.08)</b>                 |

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd...)

(₹ in Lacs)

| Particulars  | YEAR ENDED<br>31st March,<br>2015 | YEAR ENDED<br>31st March,<br>2014 |
|--|-----------------------------------|-----------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |                                   |                                   |
| Proceeds from Long Term Borrowings   | -                                 | 675.86                            |
| Repayment of Long Term Borrowings  | (491.80)                          | (517.27)                          |
| Net increase / (decrease) in working capital borrowings  | 186.62                            | (95.31)                           |
| Repayment of Other Short Term Borrowings   | -                                 | -                                 |
| Finance Cost   | (215.16)                          | (224.70)                          |
| Dividend Paid  | (73.80)                           | (92.25)                           |
| Tax on Dividend  | (12.54)                           | (15.68)                           |
| <b>Net Cash Flow used in Financing Activities (C)</b>  | <b>(606.68)</b>                   | <b>(269.35)</b>                   |
| <b>Net decrease in Cash &amp; Cash Equivalents (A+B+C)</b>   | <b>(20.54)</b>                    | <b>1.17</b>                       |
| Cash and Cash Equivalents at the beginning of the year   | 102.11                            | 100.37                            |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents                  | 0.31                              | (0.57)                            |
| <b>Cash and Cash Equivalents at the end of the year</b>  | <b>81.26</b>                      | <b>102.11</b>                     |
| <b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>                                   |                                   |                                   |
| Cash and cash equivalents as per Balance Sheet (Refer Note 18)   | 81.26                             | 102.11                            |
| Less: Bank balances not considered as Cash and cash equivalents<br>(as defined in AS 3 Cash Flow Statements) | -                                 | -                                 |
| <b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)</b>                               | <b>81.26</b>                      | <b>102.11</b>                     |

**Note :**

Cash and cash equivalents includes ₹ 14.83 Lacs (P.Y. 15.65 Lacs) in earmarked account balances with banks which can be utilised only for the specific identified purposes.

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Gaurav J. Shah**

Partner

Place : Ahmedabad

Date : 2<sup>nd</sup> May, 2015

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

**Ambar J. Patel**

Managing Director

**Amit Agrawal**

Chief Financial Officer

Place: Rakanpur

Date : 2<sup>nd</sup> May, 2015

**Roshan H. Shah**

Executive Director

**Gurnish Chhabda**

Company Secretary

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 1. BACKGROUND OF THE COMPANY

Shilp Gravures Limited is a public limited company, incorporated in the year 1993 under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange since 1995. 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 using in printing and packaging industries.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3 Inventories

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost (net of refundable taxes and duties) or net realizable value. The cost of these items of inventory comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition.

Work in progress and finished goods are valued at lower of cost or net realizable value. The cost of work in process and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition.

Cost of inventories is determined on “First In First Out” basis.

Excise Duty in respect of finished goods lying in factory premises are provided for and included in valuation of inventory.

#### 2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.6 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

#### 2.7 Revenue Recognition

##### Sale of Goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

##### Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

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

### Other Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

### **2.8 Fixed Assets**

Fixed assets are stated at cost of acquisition / construction less accumulated depreciation, amortization and impairment loss (if any). Cost comprises of purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost to bring the assets ready for its intended use.

Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized.

Capital assets under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

### **2.9 Intangible Fixed Assets**

Intangible assets are stated at cost of acquisition / cost incurred less accumulated amortisation and impairment loss, if any.

### **2.10 Foreign Currency Transactions**

#### Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement of foreign currency monetary items at Balance Sheet Date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

#### Treatment of Exchange Differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### **2.11 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### **2.12 Employee Benefits**

#### Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet.

### **2.13 Borrowing Costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

### **2.14 Segment Reporting Policy**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

### 2.15 Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss accounts on a straight-line basis over the lease term.

### 2.16 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### 2.17 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### 2.18 Impairment of assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

### 2.19 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

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

### 3 SHARE CAPITAL

| PARTICULARS   | AS AT 31st MARCH, 2015 |               | AS AT 31st MARCH, 2014 |               |
|---|------------------------|---------------|------------------------|---------------|
|   | (NUMBER)               | (₹ in Lacs)   | (NUMBER)               | (₹ in Lacs)   |
| <b>Authorised:</b><br>Equity Shares of ₹ 10 each with voting rights                                   | 6,500,000              | 650.00        | 6,500,000              | 650.00        |
| <b>Issued, Subscribed and Paid-up:</b><br>Equity Shares of ₹ 10 each fully paid up with voting rights | 6,149,800              | 614.98        | 6,149,800              | 614.98        |
| <b>Total</b>  | <b>6,149,800</b>       | <b>614.98</b> | <b>6,149,800</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, 2015 |             | AS AT 31st MARCH, 2014 |             |
|---|------------------------|-------------|------------------------|-------------|
|   | (NUMBER)               | (₹ in Lacs) | (NUMBER)               | (₹ in Lacs) |
| Equity Shares with voting rights at the beginning of the year | 6,149,800              | 614.98      | 6,149,800              | 614.98      |
| Issued during the year  | -                      | -           | -                      | -           |
| Bought back during the year                                   | -                      | -           | -                      | -           |
| At the end of the year  | 6,149,800              | 614.98      | 6,149,800              | 614.98      |

#### ii) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. 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 2015, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.20 (31st March 2014 : ₹ 1.20)

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, 2015 |              | AS AT 31st MARCH, 2014 |              |
|--|------------------------|--------------|------------------------|--------------|
|  | NO. OF SHARES HELD     | % OF HOLDING | NO. OF SHARES HELD     | % OF HOLDING |
| Vitthalidas H. Patel                               | 765,756                | 12.45%       | 765,756                | 12.45%       |
| Vitthalidas H. Patel jointly with Hiraben V. Patel | 24,146                 | 0.39%        | 24,146                 | 0.39%        |
| Hiraben V. Patel Jointly with Vitthalidas H. Patel | 382,262                | 6.22%        | 382,262                | 6.22%        |
| Roshan Harshvardhan Shah                           | 309,404                | 5.03%        | 287,685                | 4.68%        |
| Hiraben V. Patel                                   | 584,314                | 9.50%        | 584,314                | 9.50%        |

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

### 4 RESERVES AND SURPLUS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| <b>Capital Reserves</b>   |  |  |
| Opening Balance   | 15.00                                    | 15.00                                    |
| Add : Additional during the year  | -  | -  |
|   | <b>15.00</b>                             | <b>15.00</b>                             |
| <b>General Reserve</b>  |  |  |
| Opening Balance   | 1,259.76                                 | 1,234.76                                 |
| Add : Transfer from the surplus in Statement of Profit & Loss   | 25.00                                    | 25.00                                    |
|   | <b>1,284.76</b>                          | <b>1,259.76</b>                          |
| <b>Closing Balance</b>  | <b>1,284.76</b>                          | <b>1,259.76</b>                          |
| <b>Surplus in Statement of Profit and Loss</b>  |  |  |
| Opening Balance   | 2,279.16                                 | 1,967.56                                 |
| Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax) (Refer Note 42) | 64.55                                    | -  |
| Add : Net Profit For the current year   | 454.09                                   | 422.94                                   |
| Less: Appropriation   |  |  |
| Proposed Dividend (Amount per share ₹1.20 (Previous Year ₹ 1.20))   | 73.80                                    | 73.80                                    |
| Tax on Proposed Dividend  | 14.76                                    | 12.54                                    |
| Transfer to General Reserves  | 25.00                                    | 25.00                                    |
| <b>Net surplus in the statement of Profit and Loss</b>  | <b>2,555.15</b>                          | <b>2,279.16</b>                          |
| <b>Total</b>  | <b>3,854.91</b>                          | <b>3,553.92</b>                          |

### 5. LONG TERM BORROWINGS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Secured term loans from banks (Refer note (i) to (iv) below)            | 434.23                                   | 778.25                                   |
| Unsecured term loans from financial institutions (Refer note (v) below) | -  | 145.73                                   |
| <b>Total</b>  | <b>434.23</b>                            | <b>923.98</b>                            |

#### **Secured**

- (i) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 133.76 Lacs (P.Y. ₹ 281.76 Lacs), out of which ₹ 103.40 Lacs (P.Y. ₹ 103.40 Lacs) is classified as current maturity. The loan is repayable in 60 Monthly installments of ₹11.50 Lacs each including interest, from March, 2012. The loan is secured by exclusive charge over windmills acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (ii) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 353.65 Lacs (P.Y. ₹ 492.96 Lacs), out of which ₹ 105.14 Lacs (P.Y. ₹ 105.14) is classified as current maturity. The loan is repayable in 60 Monthly installments of ₹ 11.94 Lacs each including interest, from October, 2013. The loan is secured by exclusive charge over the new Imported Machinerics acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (iii) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 209.12 Lacs (P.Y. ₹ 260.95 Lacs), out of which ₹ 60.22 Lacs (P.Y. ₹ 60.22 Lacs) is classified as current maturity. The loan is repayable in 60 Monthly installments of ₹6.75 Lacs each including interest, from May, 2013. The loan is secured by exclusive charge over a windmill acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (iv) Hire purchase finances from The Ahmedabad Mercantile Co-operative Bank Limited for Car amounting to ₹ 9.58 Lacs (P.Y. ₹ 11.64 Lacs), out of which ₹ 3.12 Lacs (P.Y. ₹ 3.12) is classified as current maturity, is secured by hypothecation of the Car.

#### **Unsecured**

- (v) Unsecured loan amounting to ₹ Nil Lacs (P.Y. ₹ 145.73 Lacs) taken from Life Insurance Corporation of India. The loan was availed against Keyman Insurance policies of the key personnel of the Company.

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

### 6 DEFERRED TAX LIABILITY

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| The deferred tax liability/asset comprises of tax effect of timing differences on account of:<br><b>Deferred Tax Liability</b><br>Difference between book and tax depreciation (Net of Deferred Tax Assets Created on tangible fixed assets as per transitional provision of Schedule II of the Companies Act, 2013 with nil remaining useful life) | 534.28                                   | 566.41                                   |
| <b>Deferred Tax Asset</b><br>Disallowance under the Income Tax Act, 1961  | (3.96)                                   | (0.45)                                   |
| <b>Deferred Tax Liability (net)</b>   | <b>530.32</b>                            | <b>565.96</b>                            |

### 7 LONG TERM PROVISIONS

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| <b>Provision for employee benefits</b><br>Provision for gratuity (Refer note 29) | 55.27                                    | 73.23                                    |
| Provision for compensated absences (Refer note 29)                               | 27.24                                    | 20.34                                    |
| <b>Total</b>   | <b>82.51</b>                             | <b>93.57</b>                             |

### 8. SHORT TERM BORROWINGS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| <b>Secured</b><br><b>Loans repayable on demand</b><br>Cash Credit from Banks (Refer note (i) below) | 840.18                                   | 653.56                                   |
| <b>Total</b>  | <b>840.18</b>                            | <b>653.56</b>                            |

(i) Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd. of ₹ 840.18 Lacs (P.Y. ₹ 653.56 Lacs). The same is secured by present and future book debts and inventories of the Company, personal guarantee of some of the promoter directors.

### 9. TRADE PAYABLES

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Trade payables other than acceptances (Refer note 36) | 596.50                                   | 461.46                                   |
| <b>Total</b>  | <b>596.50</b>                            | <b>461.46</b>                            |

### 10. OTHER CURRENT LIABILITIES

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Current maturities of secured long-term debt (Refer Note (i) to (iv) of Note 5 above) | 271.88                                   | 273.93                                   |
| Interest accrued but not due on borrowings  | -  | 2.37                                     |
| Unpaid dividends*   | 14.83                                    | 15.65                                    |
| Statutory remittances   | 44.00                                    | 44.65                                    |
| Payables for purchase of fixed assets   | 20.13                                    | 37.35                                    |
| Advances from customers   | 48.60                                    | 57.25                                    |
| <b>Total</b>  | <b>399.44</b>                            | <b>431.19</b>                            |

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

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

### 11 SHORT TERM PROVISIONS

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| Provision for compensated absences (Refer note 29) | 10.74                                    | 8.72                                     |
| Provision for proposed equity dividend             | 73.80                                    | 73.80                                    |
| Provision for tax on proposed equity dividend      | 14.76                                    | 12.54                                    |
| <b>Total</b>                                       | <b>99.29</b>                             | <b>95.06</b>                             |

### 12 FIXED ASSETS

(₹ in Lacs)

(Figures in Brackets represent previous year numbers)

| Fixed Assets                       | Gross Block                        |                                 |                                 |                                 | Accumulated Depreciation/Amortisation |   |  |                                       |                               | Net Block                     |                               |
|------------------------------------|------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------------|---|--|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                    | Balance as<br>at 1st April<br>2014 | Additions<br>during<br>the year | Disposals<br>during<br>the year | As at<br>31st March,<br>2015    | Balance as<br>at 1st April<br>2014    | Depreciation/<br>Amortisation<br>charge for<br>the year | Transfer<br>from<br>Retained<br>Earnings | On<br>disposals<br>during<br>the year | As at<br>31st March,<br>2015  | As at<br>31st March,<br>2015  | As at<br>31st March,<br>2014  |
| <b>a Tangible Assets</b>           |                                    |                                 |                                 |                                 |                                       |   |  |                                       |                               |                               |                               |
| Freehold Land                      | 142.98<br>(142.98)                 | -                               | -                               | 142.98<br>(142.98)              | -                                     | -   | -  | -                                     | -                             | 142.98<br>(142.98)            | 142.98<br>(142.98)            |
| Buildings                          | 917.22<br>(867.12)                 | -                               | -                               | 917.22<br>(917.22)              | 177.85<br>(151.14)                    | 29.57<br>(26.71)  | 8.86                                     | -                                     | 216.28<br>(177.85)            | 700.94<br>(739.37)            | 739.37<br>(715.98)            |
| Plant and Machineries              | 7,109.95<br>(6,251.38)             | 347.37<br>(888.35)              | -                               | 7,457.32<br>(7,109.95)          | 4,574.20<br>(4,182.94)                | 422.35<br>(407.20)                                      | 14.18                                    | -                                     | 5,010.73<br>(4,574.20)        | 2,446.59<br>(2,535.75)        | 2,535.75<br>(2,068.45)        |
| Windmills                          | 1,381.18<br>(1,003.74)             | -                               | -                               | 1,381.18<br>(1,381.18)          | 245.62<br>(175.15)                    | 58.06<br>(70.47)  | -  | -                                     | 303.68<br>(245.62)            | 1,077.50<br>(1,135.56)        | 1,135.56<br>(828.59)          |
| Furniture and Fixtures             | 158.97<br>(158.54)                 | -                               | -                               | 158.97<br>(158.97)              | 92.22<br>(82.57)                      | 18.58<br>(9.65)   | 12.15                                    | -                                     | 122.95<br>(92.22)             | 36.02<br>(66.75)              | 66.75<br>(75.97)              |
| Vehicles                           | 199.45<br>(145.06)                 | 25.56<br>(59.03)                | 36.91<br>(4.64)                 | 188.10<br>(199.45)              | 67.80<br>(52.94)                      | 28.63<br>(15.84)  | 0.95                                     | 20.61<br>(0.98)                       | 76.77<br>(67.80)              | 111.33<br>(131.65)            | 131.65<br>(92.12)             |
| Office Equipments and<br>Computers | 533.42<br>(499.60)                 | 13.07<br>(33.82)                | -                               | 546.49<br>(533.42)              | 386.74<br>(360.42)                    | 59.38<br>(26.32)  | 59.42                                    | -                                     | 505.54<br>(386.74)            | 40.95<br>(146.68)             | 146.67<br>(139.19)            |
| <b>Total</b>                       | <b>10,443.17</b><br>(9,068.42)     | <b>386.00</b><br>(1,409.17)     | <b>36.91</b><br>(34.42)         | <b>10,792.26</b><br>(10,443.17) | <b>5,544.43</b><br>(5,005.16)         | <b>616.57</b><br>(556.19)                               | <b>95.56</b>                             | <b>20.61</b><br>(16.92)               | <b>6,235.95</b><br>(5,544.43) | <b>4,556.31</b><br>(4,898.73) | <b>4,898.73</b><br>(4,063.27) |
| <b>b Intangible Assets</b>         |                                    |                                 |                                 |                                 |                                       |   |  |                                       |                               |                               |                               |
| Goodwill                           | 560.44<br>(560.44)                 | -                               | -                               | 560.44<br>(560.44)              | 553.03<br>(462.92)                    | 7.41<br>(90.11)   | -  | -                                     | 560.44<br>(553.03)            | -                             | 7.41<br>(97.52)               |
| <b>Total</b>                       | <b>560.44</b><br>(560.44)          | <b>-</b>                        | <b>-</b>                        | <b>560.44</b><br>(560.44)       | <b>553.03</b><br>(462.92)             | <b>7.41</b><br>(90.11)                                  | <b>-</b>                                 | <b>-</b>                              | <b>560.44</b><br>(553.03)     | <b>-</b><br>(7.41)            | <b>7.41</b><br>(97.52)        |
| <b>d</b>                           |                                    |                                 |                                 |                                 |                                       |   |  |                                       |                               |                               |                               |
| <b>Grand Total</b>                 | <b>11,003.61</b><br>(9,628.86)     | <b>386.00</b><br>(1,409.17)     | <b>36.91</b><br>(34.42)         | <b>11,352.70</b><br>(11,003.60) | <b>6,097.46</b><br>(5,468.08)         | <b>623.98</b><br>(646.30)                               | <b>95.56</b>                             | <b>20.61</b><br>(16.92)               | <b>6,796.39</b><br>(6,097.46) | <b>4,556.31</b><br>(4,906.14) | <b>4,906.14</b><br>(4,160.78) |

- Figures in the brackets represent the previous year figures.
- Plant and Machinery includes softwares being an integral part of plant and machinery

### 13 NON-CURRENT INVESTMENTS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| <b>Trade Investments - Unquoted (at Cost)</b>   |  |  |
| <b>Investment in Equity Shares of Subsidiary Company</b>  |  |  |
| 2,91,867(As at 31st March 2014 - 2,91,867) Equity Shares of ReShilp Equipments (India) Pvt Ltd at ₹ 10 each fully paid up | 29.19                                    | 29.19                                    |
| <b>Investment in Joint Venture Company</b>  |  |  |
| 29,97,800 (As at 31st March 2014 - 24,97,800) Equity Shares of HMSU Rollers (India) Pvt Ltd. at ₹ 10 each fully paid up   | 299.78                                   | 249.78                                   |
| 750,000 (As at 31st March 2014 - NIL) Preference Shares of HMSU Rollers (India) Pvt Ltd. at ₹ 10 each fully paid up       | 75.00                                    | -  |
| <b>Total</b>  | <b>403.97</b>                            | <b>278.97</b>                            |

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

### 14 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Capital advances  | 9.90                                     | 3.64                                     |
| Security deposits   | 51.21                                    | 50.95                                    |
| Advance income tax (net of provisions ₹ 515.16 lacs (As at 31 March, 2014 ₹349.07)) | 52.25                                    | 35.97                                    |
| Loans to related party*   | 100.00                                   | 100.00                                   |
| <b>Total</b>  | <b>213.36</b>                            | <b>190.56</b>                            |

\* The above loan is given for business purpose.

### 15 CURRENT INVESTMENTS

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| <b>Investment in Equity instruments - Unquoted (at Cost)</b>   |  |  |
| 3,500(As at 31st March 2014 - 3,500) Equity Shares of The Ahmedabad Mercantile Co-operative Bank Ltd.at ₹50 each fully paid up | 1.75                                     | 1.75                                     |
| <b>Total</b>   | <b>1.75</b>                              | <b>1.75</b>                              |

### 16 INVENTORIES [At lower of Cost or Net Realisable Value]

| PARTICULARS                          | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--------------------------------------|--|--|
| Raw materials                        | 370.51                                   | 259.18                                   |
| Raw materials - Goods-in transit     | 10.17                                    | 0.48                                     |
| Work-in-progress                     | 128.73                                   | 120.55                                   |
| Finished goods                       | 8.43                                     | 6.45                                     |
| Stock-in-trade                       | -  | 0.84                                     |
| Stores and spares                    | 85.60                                    | 56.52                                    |
| Stores and spares - Goods-in transit | -  | 0.91                                     |
| Packing materials                    | 1.51                                     | 2.15                                     |
| <b>Total</b>                         | <b>604.95</b>                            | <b>447.09</b>                            |

### 17 TRADE RECEIVABLES

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| <b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b> |  |  |
| Unsecured, considered good  | 23.64                                    | 46.34                                    |
| Doubtful  | -  | 29.83                                    |
|   | 23.64                                    | 76.17                                    |
| Less: Provision for Doubtful Trade Receivables  | -  | 29.83                                    |
|   | <b>23.64</b>                             | <b>46.34</b>                             |
| <b>Other Trade Receivables</b>  |  |  |
| Unsecured, considered good  | 1,372.56                                 | 1,202.17                                 |
|   | <b>1,372.56</b>                          | <b>1,202.17</b>                          |
| <b>Total</b>  | <b>1,396.20</b>                          | <b>1,248.51</b>                          |

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

### 18 CASH AND CASH EQUIVALENTS

| PARTICULARS                | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|----------------------------|--|--|
| Cash on hand               | 4.71                                     | 4.98                                     |
| Cheques, drafts on hand    | 38.22                                    | 23.80                                    |
| Balances with banks        |  |  |
| In Current accounts        | 23.50                                    | 57.68                                    |
| In Earmarked accounts      |  |  |
| - Unpaid dividend accounts | 14.83                                    | 15.65                                    |
| <b>Total</b>               | <b>81.26</b>                             | <b>102.11</b>                            |

### 19 SHORT TERM LOANS AND ADVANCES

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Advance to suppliers  | 5.04                                     | 5.19                                     |
| Security deposits   | 2.97                                     | 3.00                                     |
| Prepaid expenses  | 37.01                                    | 30.62                                    |
| Cenvat credit receivable  | 2.64                                     | 1.16                                     |
| Service tax credit receivable   | 39.58                                    | 32.49                                    |
| Receivable from Uttar Gujarat Vij Company Limited for power generation                    | 18.07                                    | 25.99                                    |
| Cenvat Receivable on Capital Goods to the extent credit not available in the current year | 26.66                                    | 59.46                                    |
| Others  | 4.85                                     | 11.48                                    |
| <b>Total</b>  | <b>136.82</b>                            | <b>169.38</b>                            |

### 20 OTHER CURRENT ASSETS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Receivable for business support services from related party | 20.62                                    | 0.04                                     |
| Interest Receivable from related party (Refer Note 33(b))   | 30.08                                    | 16.85                                    |
| <b>Total</b>  | <b>50.70</b>                             | <b>16.89</b>                             |

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

### 21 REVENUE FROM OPERATIONS

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| Sale of products                                    | 4,211.32                                      | 4,047.66                                      |
| Less : Excise Duty                                  | 410.97  | 433.85  |
|   | <b>3,800.35</b>                               | <b>3,613.81</b>                               |
| Sale of services                                    | 2,125.98                                      | 1,931.33                                      |
| Less : Service Tax                                  | 234.77  | 213.22  |
|   | <b>1,891.21</b>                               | <b>1,718.11</b>                               |
| Trading sales                                       | 0.68  | 15.35   |
| Other operating revenue                             |   |   |
| - Scrap Sales                                       | 87.29   | 82.79   |
| Less: Discount on sales                             | 47.14   | 40.13   |
| <b>Total</b>  | <b>5,732.39</b>                               | <b>5,389.93</b>                               |
| <b>Sales of products and services comprises of:</b> |   |   |
| Manufactured goods                                  |   |   |
| - Engraved Copper Rollers                           | 3,516.90                                      | 3,375.75                                      |
| - Printing Plates                                   | 283.45  | 234.30  |
| - Others  | -   | 3.76  |
|   | <b>3,800.35</b>                               | <b>3,613.80</b>                               |
| Sale of services                                    |   |   |
| - Job work sales                                    | 1,891.21                                      | 1,718.11                                      |
|   | <b>1,891.21</b>                               | <b>1,718.11</b>                               |
| Traded Goods  |   |   |
| - Doctor Blade                                      | -   | 6.80  |
| - Adhesive Chemical                                 | -   | 8.12  |
| - Others  | 0.68  | 0.44  |
|   | <b>0.68</b>                                   | <b>15.35</b>                                  |

### 22 OTHER INCOME

| PARTICULARS  | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|---|---|
| Interest income from banks                         | 1.72  | 0.91  |
| Interest income from - Joint Venture Entity        | 14.70   | 17.18   |
| Interest Income on Advances                        | 2.93  | 3.01  |
| Dividend income from current investment            | 0.21  | 0.21  |
| Recovery of bad debts written off in earlier years | -   | 1.46  |
| Rent income  | 1.20  | 0.98  |
| Gain on foreign exchange rate fluctuation (net)    | 5.71  | -   |
| Business support services                          | 18.84   | 23.04   |
| Provisions no longer required written back         | 29.83   | -   |
| Profit on sale of machines tools                   | 10.11   | -   |
| Miscellaneous Income                               | 1.97  | 2.22  |
| <b>Total</b>                                       | <b>87.23</b>                                  | <b>49.00</b>                                  |

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

### 23 COST OF RAW MATERIAL CONSUMED

| PARTICULARS                                 | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| Opening stock                               | 259.67  | 237.40  |
| Add : Purchases                             | 1,690.74                                      | 1,476.15                                      |
|   | <b>1,950.41</b>                               | <b>1,713.55</b>                               |
| Less : Closing Stock                        | 380.68  | 259.67  |
| <b>Cost of raw materials consumed</b>       | <b>1,569.73</b>                               | <b>1,453.88</b>                               |
| <b>Raw materials consumed comprises of:</b> |   |   |
| M.S. roller                                 | 106.40  | 49.18   |
| M.S. pipe, plates and bars                  | 693.82  | 688.00  |
| Copper                                      | 528.39  | 498.13  |
| Others                                      | 241.12  | 218.56  |
|   | 1,569.73                                      | 1,453.87                                      |

### 24 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| PARTICULARS                                     | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| <b>INVENTORIES AT THE BEGINNING OF THE YEAR</b> |   |   |
| Finished goods of engraved rollers              | 6.45  | 6.60  |
| Work-in-progress of engraved rollers            | 120.55  | 127.88  |
| Stock-in-trade                                  | 0.84  | 4.44  |
|   | 127.84  | 138.92  |
| <b>INVENTORIES AT THE END OF THE YEAR</b>       |   |   |
| Finished goods of engraved rollers              | 8.43  | 5.74  |
| Work-in-progress of engraved rollers            | 128.73  | 120.55  |
| Stock-in-trade                                  | -   | 0.84  |
|   | 137.16  | 127.13  |
| <b>CHANGE IN INVENTORIES</b>                    | <b>(9.32)</b>                                 | <b>11.79</b>                                  |

### 25 EMPLOYEE BENEFITS EXPENSES

| PARTICULARS                                     | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| Salaries, wages and bonus                       | 1,288.49                                      | 1,098.88                                      |
| Contributions to provident fund and other funds | 54.35   | 36.99   |
| Contributions to gratuity fund (Refer Note 29)  | 15.00   | 15.00   |
| Staff welfare expenses                          | 108.01  | 94.95   |
| <b>Total</b>                                    | <b>1,465.85</b>                               | <b>1,245.82</b>                               |

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

### 26 FINANCE COSTS

| PARTICULARS              | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--------------------------|---|---|
| <b>Interest expense</b>  |   |   |
| On term loans            | 111.25  | 132.04  |
| On working capital loans | 95.00   | 87.89   |
| Bank Charges             | 1.13  | 1.35  |
|                          | <b>207.38</b>                                 | <b>221.29</b>                                 |
| Other borrowing costs    | 7.78  | 3.41  |
| <b>Total</b>             | <b>215.16</b>                                 | <b>224.70</b>                                 |

### 27 OTHER EXPENSES

| PARTICULARS  | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|---|---|
| Consumption of stores and spare parts  | 435.72  | 366.27  |
| Consumption of packing materials   | 85.11   | 75.42   |
| Increase/(decrease) of excise duty on inventory  | (0.23)  | 0.11  |
| Power & Fuel (Net of energy income from windmill ₹ 224.86 Lacs<br>(Previous Year ₹ 214.70 Lacs)) | 106.15  | 93.77   |
| Repairs and Maintenance  |   |   |
| Plant & Machinery  | 84.20   | 65.32   |
| Building   | 68.72   | 29.17   |
| Others   | 55.81   | 40.33   |
| Factory Expenses   | 36.93   | 40.19   |
| Rent   | 11.50   | 10.75   |
| Rates & Taxes  | 1.29  | 0.75  |
| Legal Consultancy and Professional Charges   | 72.24   | 60.72   |
| Conveyance and Travelling  | 67.90   | 109.38  |
| Communication Expenses   | 17.87   | 17.69   |
| Stationary, Printing and subscription  | 13.53   | 11.78   |
| Insurance Premium  | 35.38   | 42.36   |
| Auditors' Remuneration   | 8.49  | 8.50  |
| Computer Expenses  | 10.61   | 13.05   |
| Bad debts  | 37.61   | 20.00   |
| Provision for Doubtful Trade Receivables   | -   | 29.83   |
| Donation   | 4.41  | 13.33   |
| Clearing & Forwarding  | 78.26   | 61.70   |
| Sales Commission   | 34.62   | 36.09   |
| Advertisement and Business Promotion   | 8.00  | 2.66  |
| Selling Expenses   | 24.48   | 29.68   |
| Loss on foreign exchange rate fluctuation (net)  | -   | 1.42  |
| Loss on sale of fixed assets (net)   | 1.56  | 0.19  |
| Corporate and Social Responsibility Expenses   | 16.00   | -   |
| Miscellaneous Expenses   | 23.42   | 39.25   |
| <b>Total</b>   | <b>1,339.58</b>                               | <b>1,219.71</b>                               |
| <b>Auditors' Remuneration comprises of:</b>  |   |   |
| statutory audit fees   | 7.50  | 7.50  |
| tax audit fees   | 0.75  | 0.75  |
| certification fees   | 0.05  | 0.05  |
| Reimbursement of expenses  | 0.19  | 0.20  |
| <b>Total</b>   | <b>8.49</b>                                   | <b>8.50</b>                                   |

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

### 28 EARNING PER SHARE (EPS)

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|---|--------------------------------|--------------------------------|
| <b>Basic and Diluted</b>                                |                                |                                |
| Profit attributable to equity share holders (₹ in Lacs) | 454.09                         | 422.93                         |
| Nominal Value of equity share (₹/Share)                 | 10                             | 10                             |
| Weighted average number of ordinary equity share for    | 6,149,800                      | 6,149,800                      |
| Basic and Diluted EPS (₹/Share)                         | <b>7.38</b>                    | <b>6.88</b>                    |

### 29 EMPLOYEE BENEFITS

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 44.98 Lacs (Year ended 31 March, 2014 - ₹ 36.99 Lacs) for Provident Fund contributions, and ₹ 6.24 Lacs (Year ended 31 March, 2014 - ₹ 6.24 Lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

As per Accounting Standard 15 "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 for the year: (₹ in Lacs)

| Particulars                    | Gratuity                       |                                | Leave Encashment               |                                |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Current service cost           | 12.36                          | 12.59                          | 3.89                           | 4.18                           |
| Interest Cost                  | 14.21                          | 12.98                          | 2.19                           | 1.91                           |
| Expected return on plan assets | (9.83)                         | (8.21)                         | -                              | -                              |
| Net actuarial losses (gains)   | 14.40                          | (9.39)                         | 12.81                          | 2.87                           |
| <b>Total</b>                   | <b>31.14</b>                   | <b>7.97</b>                    | <b>18.89</b>                   | <b>8.96</b>                    |

##### II. Reconciliation of opening and closing balances of defined benefit obligation: (₹ in Lacs)

| Particulars   | Gratuity                       |                                | Leave Encashment               |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Defined benefit obligation at beginning of the year       | 177.55                         | 163.14                         | 29.06                          | 27.68                          |
| Service cost  | 12.36                          | 12.59                          | 3.89                           | 4.18                           |
| Interest cost   | 14.21                          | 12.98                          | 2.19                           | 1.91                           |
| Actuarial losses (gains)                                  | 13.52                          | (9.39)                         | 12.81                          | 2.87                           |
| Benefits paid   | (42.83)                        | (1.77)                         | (9.97)                         | (7.58)                         |
| <b>Defined benefit obligation at year end of the year</b> | <b>174.82</b>                  | <b>177.55</b>                  | <b>37.98</b>                   | <b>29.06</b>                   |

##### III. Reconciliation of Opening and Closing balances of fair value of plan assets: (₹ in Lacs)

| Particulars  | Gratuity                       |                                | Leave Encashment               |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Fair value of plan assets at beginning of the year | 104.33                         | 83.43                          | -                              | -                              |
| Expected return on plan assets                     | 9.83                           | 8.21                           | -                              | -                              |
| Actuarial gains and (losses)                       | (0.88)                         | -                              | -                              | -                              |
| Contributions by employer                          | 49.10                          | 14.45                          | -                              | -                              |
| Benefits paid                                      | (42.83)                        | (1.77)                         | -                              | -                              |
| Adjustment to fund                                 | -                              | -                              | -                              | -                              |
| <b>Fair value of plan assets at year end</b>       | <b>119.56</b>                  | <b>104.33</b>                  | <b>-</b>                       | <b>-</b>                       |

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

### IV. Investment details:

| Particulars       | % invested as at<br>31st MARCH, 2015 | % invested as at<br>31st MARCH, 2014 |
|-------------------|--------------------------------------|--------------------------------------|
| Insurance Company | 100%                                 | 100%                                 |

### V. Actuarial Assumptions:

(₹ in Lacs)

| Particulars                                   | Gratuity                       |                                | Leave Encashment               |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Mortality Table (LIC)                         | 2006-08 (Ultimate)             | 2006-08 (Ultimate)             | 2006-08 (Ultimate)             | 2006-08 (Ultimate)             |
| Discount Rate (per annum)                     | 7.80%                          | 9.10%                          | 7.80%                          | 9.10%                          |
| Expected Return on plan assets<br>(per annum) | 9.15%                          | 9.15%                          | -                              | -                              |
| Rate of escalation in salary<br>(per annum)   | 6.00%                          | 6.00%                          | 6.00%                          | 6.00%                          |

### VI. Past five year's data for defined benefit obligation and fair value of plan is as under:

(₹ in Lacs)

| Particulars   | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---------|---------|---------|---------|---------|
| Present value of defined benefit obligations at the end of the year (Independent actuary) | 97.79   | 111.67  | 128.52  | 163.14  | 177.55  |
| Fair value of plan assets at the end of the year  | 45.11   | 52.65   | 71.15   | 83.43   | 104.33  |
| Net assets / (Liability) at the end of the year   | 52.68   | 59.02   | 57.37   | 79.71   | 73.22   |

### 2. Defined Contribution Plans.

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

(₹ in Lacs)

| PARTICULARS                                    | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|--|--------------------------------|--------------------------------|
| Employer's Contribution to Provident Fund      | 44.98                          | 36.99                          |
| Employers' Contribution to Superannuation Fund | 6.24                           | 6.24                           |

## 30 LEASES

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 11.50 Lacs (P.Y. ₹ 10.75 Lacs) have been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

(₹ in Lacs)

| Particulars                                   | As at<br>31st MARCH, 2015 | As at<br>31st MARCH, 2014 |
|---|---------------------------|---------------------------|
| Not later than 1 year                         | 9.78                      | 9.06                      |
| Later than 1 year but not later than 5 years. | -                         | -                         |

## 31 CAPITAL AND OTHER COMMITMENTS

(₹ in Lacs)

| Particulars  | As at<br>31st MARCH, 2015 | As at<br>31st MARCH, 2014 |
|--|---------------------------|---------------------------|
| Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance) | 9.13                      | 8.50                      |
| Estimated amount of investment to be made in joint venture   | -                         | 50.00                     |

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

### 32 CONTINGENT LIABILITIES

(₹ in Lacs)

| Particulars   | As at<br>31st MARCH, 2015 | As at<br>31st MARCH, 2014 |
|---|---------------------------|---------------------------|
| Disputed demand of income tax against which the Company has preferred appeal  | 75.49                     | 28.44                     |
| Disputed amount of service tax credit where company has gone to Custom Excise and Service Tax Appellate Tribunal      | 6.62                      | -                         |
| Disputed amount of service tax credit where company has gone to Commissioner Appeals of Custom Excise and Service Tax | 2.48                      | -                         |
| Corporate Guarantee given*  | 238.00                    | 238.00                    |

\*The Company has provided Corporate Guarantee for an amount of ₹ 238.00 Lacs in favour of Axis Bank Limited for the Term Loan availed by to HMSU Rollers (India) Private Limited, a Joint Venture Company.

### 33 RELATED PARTY DISCLOSURES

#### a) Related parties and their relationship

| Name of the related party  | Relationship  |
|--|---|
| ReShilp Equipments (India) Private Limited   | Subsidiary Company  |
| HMSU Rollers (India) Private Limited   | Joint Venture Company   |
| Hannecard N.V.<br>Mitex GMBH<br>Unimark International Private Limited  | Co-Venturers of HMSU Rollers (India) Private Limited-Jontly Controlled Entity |
| Mr. Ambar J. Patel<br>Mr. Roshan Shah<br>Mr. G.V. Bhavsar<br>Mr. Narendra Patil<br>Mr. Atul Vinchhi                        | Key Management Personnel  |
| Mr.Vitthaldas H. Patel   | Individuals exercising significant influence over the enterprise              |
| Shilp Ultra-tech Private Limited<br>Stylus Infrastructure Private Limited<br>Carol Enterprise<br>Carol<br>Hira Corporation | Entity controlled by Key Management Personnel                                 |
| Mr. Deval A. Patel   | Relative of Key Management Personnel  |
| Mr. Siddharth N. Patil<br>Mrs. Madhuri A. Vinchhi  | Relative of Individuals exercising significant influence over the enterprise  |

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

### b) Details of related party transactions during the year ended March 31, 2015 and balances outstanding as at March 31, 2015

| Nature of transactions               | Name of the related party             | Amount<br>(₹ in Lacs) | Outstanding balance<br>as at 31st March, 2015<br>(₹ in Lacs) |
|--------------------------------------|---------------------------------------|-----------------------|--|
| ReShilp Equipments (India) Pvt. Ltd. | Rent Received                         | 1.35                  | -  |
|                                      |                                       | (0.98)                | -  |
|                                      | Investment in equity share capital    | -                     | 29.19 Dr.  |
|                                      |                                       | -                     | (29.19) Dr.  |
|                                      | Expenses Reimbursement                | 2.06                  | -  |
| HMSU Rollers (India) Pvt. Ltd.       |                                       | -                     | -  |
|                                      | Sale of Goods                         | 0.08                  | -  |
|                                      |                                       | (4.06)                | -  |
|                                      | Investment in equity share capital    | 50.00                 | 299.78 Dr.   |
|                                      |                                       | (149.78)              | (249.78) Dr.   |
|                                      | Invstment in preference share capital | 75.00                 | 75.00 Dr.  |
|                                      |                                       | -                     | -  |
|                                      | Sale of goods                         | 0.64                  | -  |
|                                      |                                       | (2.47)                | -  |
|                                      | Sale of fixed assets                  | 12.55                 | -  |
|                                      |                                       | -                     | -  |
|                                      | Services Provided                     | 24.67                 | 20.62 Dr.  |
|                                      |                                       | (21.04)               | -  |
|                                      | Expenses reiumbrsed by                | 12.91                 | -  |
|                                      | (5.13)                                | (0.04) Dr.            |  |
| Expenses reiumbrsed to               | 0.38                                  | -                     |  |
|                                      | -                                     | -                     |  |
| Interest Received                    | 14.70                                 | 30.08 Dr.             |  |
|                                      | (17.15)                               | (16.85) Dr.           |  |
| Loan Given                           | 105.00                                | 100.00 Dr.            |  |
|                                      | (128.00)                              | (100.00) Dr.          |  |
| Loan Repayment received              | 105.00                                | -                     |  |
|                                      | (168.00)                              | -                     |  |
| Mr. Ambar J. Patel                   | Remuneration Paid                     | 51.53                 | 7.81 Cr.   |
|                                      |                                       | (44.81)               | (6.79) Cr.   |
|                                      | Dividend Paid                         | 2.93                  | -  |
|                                      | (3.66)                                | -                     |  |
| Mr. Roshan Shah                      | Remuneration Paid                     | 50.92                 | 7.77 Cr.   |
|                                      |                                       | (44.29)               | (6.76) Cr.   |
|                                      | Dividend Paid                         | 3.70                  | -  |
|                                      | (2.53)                                | -                     |  |
| Mr. G.V. Bhavsar                     | Remuneration Paid                     | 50.92                 | 7.77 Cr.   |
|                                      |                                       | (44.29)               | (6.76) Cr.   |
|                                      | Dividend Paid                         | 3.71                  | -  |
|                                      | (4.75)                                | -                     |  |
| Mr.Vitthaldas H. Patel               | Remuneration Paid                     | 15.00                 | 15.00 Cr.  |
|                                      |                                       | (30.00)               | (30.00) Cr.  |
|                                      | Dividend Paid                         | 9.48                  | -  |
|                                      | (12.10)                               | -                     |  |
| Mr. Narendra Patil                   | Remuneration Paid                     | 50.92                 | 7.72 Cr.   |
|                                      |                                       | (44.29)               | (6.71) Cr.   |
|                                      | Dividend Paid                         | 2.19                  | -  |
|                                      | (2.74)                                | -                     |  |
| Mr. Atul Vinchhi                     | Remuneration Paid                     | 50.92                 | 7.72 Cr.   |
|                                      |                                       | (44.29)               | (6.71) Cr.   |
|                                      | Dividend Paid                         | 3.47                  | -  |
|                                      | (4.57)                                | -                     |  |
| Stylus Infrastructure Pvt Ltd.       | Rent Paid                             | -                     | -  |
|                                      | (0.23)                                | -                     |  |

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

| Nature of transactions  | Name of the related party | Amount<br>(₹ in Lacs) | Outstanding balance<br>as at 31st March, 2015<br>(₹ in Lacs) |
|-------------------------|---------------------------|-----------------------|--|
| Hira Corporation        | Rent Paid                 | -<br>(0.15)           | -<br>-   |
| Mr. Deval A. Patel      | Remuneration Paid         | 4.26<br>(3.91)        | 0.55 Cr.<br>(0.49) Cr.                                       |
| Mr. Siddharth N. Patil  | Remuneration Paid         | 3.95<br>(4.08)        | 0.55 Cr.<br>(0.54) Cr.                                       |
| Mrs. Madhuri A. Vinchhi | Remuneration Paid         | 1.78<br>(1.26)        | 0.31 Cr.<br>(0.25) Cr.                                       |

### 34 SEGMENT REPORTING

The Company has identified business segments as its primary segment and geographical segments as its secondary segment. Reportable business segments are primarily (i) manufacture of engraved copper rollers and (ii) energy generation through wind mill. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

The segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amount allocated on a reasonable basis by management.

Disclosures required under AS 17 – Segment Reporting are as under:  
(Figures in brackets represent previous year numbers)

| Particulars                               | Engraved Copper Roller        | Wind Mill                     | Others                    | Total                         |
|---|-------------------------------|-------------------------------|---------------------------|-------------------------------|
| Revenue                                   | <b>5,448.93</b><br>(5,151.56) | <b>224.86</b><br>(214.70)     | <b>283.45</b><br>(238.37) | <b>5,957.24</b><br>(5,604.63) |
| Less: Inter segment Revenue               |                               | <b>224.86</b><br>(214.70)     |                           | <b>224.86</b><br>(214.70)     |
| Total                                     | <b>5,448.93</b><br>(5,151.56) | -<br>-                        | <b>283.45</b><br>(238.37) | <b>5,732.38</b><br>(5,389.93) |
| Segment results                           | <b>579.67</b><br>(665.00)     | <b>124.67</b><br>(117.49)     | <b>38.22</b><br>(26.51)   | <b>742.57</b><br>(809.00)     |
| Unallocable expenses (net)                |                               |                               |                           | <b>215.16</b><br>(224.70)     |
| Operating income                          |                               |                               |                           | <b>527.41</b><br>(584.30)     |
| Other income (net)                        |                               |                               |                           | <b>87.23</b><br>(49.00)       |
| Profit before taxes                       |                               |                               |                           | <b>614.63</b><br>(633.30)     |
| Tax expense                               |                               |                               |                           | <b>160.55</b><br>(210.36)     |
| Profit for the year                       |                               |                               |                           | <b>454.08</b><br>(422.94)     |
| Segment assets                            | <b>4,951.31</b><br>(4,592.89) | <b>1,086.25</b><br>(1,149.34) | <b>313.54</b><br>(205.39) | <b>6,351.10</b><br>(5,947.62) |
| Unallocable assets                        |                               |                               |                           | <b>1,101.26</b><br>(1,404.23) |
| Total assets                              |                               |                               |                           | <b>7,452.35</b><br>(7,351.85) |
| Segment liabilities                       | <b>695.80</b><br>(611.27)     | <b>(16.07)</b><br>(12.66)     | <b>44.31</b><br>(39.30)   | <b>724.04</b><br>(663.23)     |
| Unallocable liabilities                   |                               |                               |                           | <b>2,169.86</b><br>(2,519.72) |
| Total liabilities                         |                               |                               |                           | <b>2,893.90</b><br>(3,182.95) |
| Other information                         |                               |                               |                           |                               |
| Capital expenditure (allocable)           | <b>247.47</b><br>(1,031.73)   | -<br>(377.44)                 | <b>138.53</b><br>-        | <b>386.00</b><br>(1,409.17)   |
| Depreciation and amortisation (allocable) | <b>532.72</b><br>(554.34)     | <b>58.06</b><br>(70.47)       | <b>33.20</b><br>(21.50)   | <b>623.98</b><br>(646.31)     |
| Provision for doubtful debts              | <b>(29.83)</b>                | -                             | -                         | <b>(29.83)</b>                |

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

### 35 FINANCIAL AND DERIVATIVE INSTRUMENTS

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

| Particulars                            |                        | Foreign Currency | Indian Currency Equivalent<br>(₹ in Lacs) |
|--|------------------------|------------------|---|
| Amounts receivable in foreign currency | AS AT 31ST MARCH, 2015 | USD 8266.54      | 5.17                                      |
|  | AS AT 31ST MARCH, 2014 | USD 76200.63     | 45.66                                     |
| Amounts payable in foreign currency    | AS AT 31ST MARCH, 2015 | USD 4400.00      | 2.75                                      |
|  |                        | EURO 11250.00    | 7.56                                      |
|  |                        | CHF 21930.71     | 14.09                                     |
|  | AS AT 31ST MARCH, 2014 | USD 2600.00      | 1.56                                      |
|  |                        | EURO 11250.00    | 9.30                                      |
|  |                        | CHF 9223.00      | 6.26                                      |

### 36 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.

### 37 CONSUMPTION OF RAW MATERIALS, STORES AND SPARES

| Particulars              | Year ended 31st March, 2015 |                | Year ended 31st March, 2014 |                |
|--------------------------|-----------------------------|----------------|-----------------------------|----------------|
|                          | (₹ in lacs)                 | %              | (₹ in lacs)                 | %              |
| <b>Raw Materials</b>     |                             |                |                             |                |
| Imported                 | 9.19                        | 0.59%          | 23.15                       | 1.59%          |
| Indigenous               | 1,560.54                    | 99.41%         | 1,430.73                    | 98.41%         |
| <b>Total</b>             | <b>1,569.73</b>             | <b>100.00%</b> | <b>1,453.88</b>             | <b>100.00%</b> |
| <b>Stores and Spares</b> |                             |                |                             |                |
| Imported                 | 56.95                       | 13.07%         | 58.46                       | 15.96%         |
| Indigenous               | 378.77                      | 86.93%         | 307.81                      | 84.04%         |
| <b>Total</b>             | <b>435.72</b>               | <b>100.00%</b> | <b>366.27</b>               | <b>100.00%</b> |

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

### 38 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in lacs)

| PARTICULARS                 | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|-----------------------------|--------------------------------|--------------------------------|
| Capital Goods               | 247.04                         | 572.46                         |
| Raw Material                | 8.39                           | 24.62                          |
| Stores, Spares & Components | 67.20                          | 77.11                          |
| <b>Total</b>                | <b>322.63</b>                  | <b>674.19</b>                  |

### 39 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

| PARTICULARS             | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|-------------------------|--------------------------------|--------------------------------|
| Traveling               | 3.89                           | 3.12                           |
| Repairs and maintenance | 34.84                          | 35.87                          |
| <b>Total</b>            | <b>38.73</b>                   | <b>38.98</b>                   |

### 40 EARNINGS IN FOREIGN CURRENCY

(₹ in lacs)

| PARTICULARS          | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|----------------------|--------------------------------|--------------------------------|
| F.O.B. Value – Sales | 87.53                          | 143.12                         |

### 41 REMITTANCE ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS

#### (i) Remitted in Foreign Currency

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|---|--------------------------------|--------------------------------|
| Year to which Dividend relates                                  | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Amount of Dividend remitted (₹ In Lacs)                         | 2.80                           | 3.80                           |
| Number of Non-Resident Shareholders to whom remittance was made | 23                             | 24                             |
| Number of Shares held on which Dividend was due and remitted    | 233,200                        | 253,200                        |
| Face Value of each share(₹)                                     | 10                             | 10                             |

#### (ii) Remitted to their Banks in India

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|---|--------------------------------|--------------------------------|
| Year to which Dividend relates                                  | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Amount of Dividend remitted (₹ In Lacs)                         | 0.68                           | 0.86                           |
| Number of Non-Resident Shareholders to whom remittance was made | 13                             | 18                             |
| Number of Shares held on which Dividend was due and remitted    | 56,414                         | 57,390                         |
| Face Value of each share(₹)                                     | 10                             | 10                             |

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

42 Effective from 1st April, 2014, the Company has charged depreciation based on remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013 ("the Act"). Consequent to this, depreciation charge for the year ended on 31st March, 2015 is higher by ₹69.72 lacs. Further, in accordance with the transitional provisions provided in Note 7(b) of Schedule of the Act, an amount of ₹ 64.55 lacs (Net of deferred tax credit of ₹ 31.01 lacs) has been adjusted against the opening balance of retained earnings in respect of assets wherein remaining useful life of the assets is Nil.

### 43 INTEREST IN JOINT VENTURE

The Company has entered into a Joint Venture Agreement with three Companies namely, Hannecard N.V., Mitex GMBH and Unimark International Private Limited to incorporate a Joint Venture Company in the name of HMSU Rollers (India) Private Limited on 1st February, 2012. The said Joint Venture Company is engaged in the manufacturing of Rubber Rollers and Poly Urethane Rollers. The Company has commenced its commercial operations with effect from 18th April, 2013.

The Company has interests in the following jointly controlled entity: (Figures in brackets represent previous year numbers)

| Name of companies and country of incorporation | % of interest / Ownership | Amount of interest based on accounts for the year ended 31st March, 2015 (₹ in lacs) |                    |                   |                    |                     |                      |
|--|---------------------------|--|--------------------|-------------------|--------------------|---------------------|----------------------|
|  |                           | Assets   | Liabilities        | Income            | Expenditure        | Capital commitments | Contingent Liability |
| HMSU Rollers (India) Pvt. Ltd, India (audited) | 20%                       | 523.92<br>(500.39)   | 388.75<br>(396.04) | 110.05<br>(42.35) | 221.44<br>(167.60) | 1.45<br>(50.00)     | -<br>-               |

### 44 DISCLOSURES AS PER CLAUSE 32 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGE

Loans and Advances in the nature of loans given to joint venture : (Figures in brackets represent previous year numbers)

(₹ in Lacs)

| Name of the Company                  | Relationship  | As at 31st March, 2015 | Maximum Balance outstanding during the year |
|--------------------------------------|---------------|------------------------|---|
| HMSU Rollers (India) Pvt. Ltd, India | Joint Venture | 100.00<br>(100.00)     | 160.00<br>(168.00)                          |

45 Figures of previous year have been regrouped / reclassified, wherever necessary, to make them comparable with current year figures.

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner

Place : Ahmedabad  
Date : 2<sup>nd</sup> May, 2015

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

**Ambar J. Patel**  
Managing Director

**Amit Agrawal**  
Chief Financial Officer

Place: Rakanpur  
Date : 2<sup>nd</sup> May, 2015

**Roshan H. Shah**  
Executive Director

**Gurnish Chhabda**  
Company Secretary

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SHILP GRAVURES LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SHILP GRAVURES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

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

While conducting the 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.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

We did not audit the financial statements of one subsidiary company, whose financial statements reflect total assets of Rs. 391.91 lacs as at 31st March, 2015, total revenues of Rs. 841.19 lacs and net cash flows amounting to Rs. 16.57 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary company is based solely on the reports of other auditors

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, the subsidiary company and the jointly controlled entity incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company incorporated in India none of the directors of the Group companies and the jointly controlled entity incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity- Refer Note 32 to the consolidated financial statements;
    - ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company and the jointly controlled entity incorporated in India.

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

**Gaurav J. Shah**  
Partner  
Membership No. 35701

Place : Ahmedabad  
Date : 2<sup>nd</sup> May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes one subsidiary company incorporated in India, to which the Order is applicable, which has been audited by other auditors and our report in respect of this entity is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, the subsidiary company and jointly controlled company incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, the subsidiary company and the jointly controlled company incorporated in India:
  - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditor, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, the subsidiary company and the jointly controlled company incorporated in India have not granted any loans, secured or unsecured, to company, firms or other parties covered in the Register maintained under Section 189 of the Act by the respective entities.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, the subsidiary company and the jointly controlled company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors' audit, no major weaknesses in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company, the subsidiary company and the jointly controlled company incorporated in India have not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, would apply. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Holding Company, the subsidiary company and the jointly controlled company.
- (vi) According to the information and explanations given to us and the other auditors, in our opinion and opinion of other auditors, considering the nature of the business / activities / results of the Holding Company, the subsidiary company and the jointly controlled company, these companies are not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, the subsidiary company and the jointly controlled company incorporated in India:
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
  - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax and Service Tax which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

| Name of Statute          | Nature of Dues | Forum where Dispute is pending                        | Period to which amount relates             | Amount Involved (₹ in Lacs) |
|--------------------------|----------------|---|--|-----------------------------|
| The Income Tax Act, 1961 | Income Tax     | Commissioner of                                       | A.Y. 2012-13<br>Income Tax (Appeals)       | 28.45                       |
| The Income Tax Act, 1961 | Income Tax     | Commissioner of )                                     | A.Y. 2010-11<br>Income Tax (Appeals)       | 33.58                       |
| The Income Tax Act, 1961 | Income Tax     | Commissioner of                                       | A.Y. 2009-10<br>Income Tax (Appeals)       | 13.46                       |
| Finance Act, 1994        | Service Tax    | Custom Excise and Service Tax Appellate Tribunal      | From April 1, 2007 to December 31, 2009    | 4.75                        |
| Finance Act, 1994        | Service Tax    | Custom Excise and Service Tax Appellate Tribunal      | From January 1, 2013 to September 30, 2013 | 1.87                        |
| Finance Act, 1994        | Service Tax    | Commissioner Appeals of Custom Excise and Service Tax | From October 1, 2013 to September 30, 2014 | 2.48                        |

There are no dues of Sales Tax, Wealth Tax, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes by the aforesaid entities.

- (d) The Holding Company has generally been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Company Act, 1956 (1 of 1956) and Rules made thereunder within time. There are no amounts that were required to be transferred by the subsidiary company and jointly controlled company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Company Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Group and the jointly controlled entity incorporated in India does not have consolidated accumulated losses at the end of the financial year and the Group and its jointly controlled entity incorporated in India have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company has not defaulted in the repayment of dues to financial institutions and banks. The subsidiary company has not obtained any borrowings from financial institutions and banks and therefore clause 3(ix) of the Order is not applicable to the subsidiary company. The jointly controlled company incorporated in India has delayed repayment of four instalments amounting to Rs.15 lacs each ranging from 9 to 49 days to a bank during the year. Other than these delays, the jointly controlled company incorporated in India has not defaulted in repayment of dues to financial institutions and banks. The Holding Company, the subsidiary company and the jointly controlled company have not issued any debentures.
- (x) According to the information and explanations given to us, the Holding Company, the subsidiary company and the jointly controlled company incorporated in India have not given guarantees for loans taken by others outside the Group from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the term loans have been applied by the Holding Company and the jointly controlled company incorporated in India during the year for the purposes for which they were obtained. In our opinion and the opinion of the other auditor and according to the information and explanations given to us, the subsidiary company has not obtained any loans from banks and financial institutions therefore clause 3(xi) of the Order is not applicable to the subsidiary company.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditor, no fraud by the Holding Company, its subsidiary company and jointly controlled company incorporated in India and no material fraud on the Holding Company, its subsidiary company and jointly controlled company incorporated in India has been noticed or reported during the year.

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

**Gaurav J. Shah**  
Partner

Membership No. 35701

Place : Ahmedabad  
Date : 2<sup>nd</sup> May, 2015

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015**

(₹ in Lacs)

| PARTICULARS   | NOTE NO. | AS AT<br>31st MARCH, 2015 | AS AT<br>31st MARCH, 2014 |
|---|----------|---------------------------|---------------------------|
| <b>EQUITY AND LIABILITIES</b>                                   |          |                           |                           |
| <b>SHAREHOLDERS' FUNDS</b>                                      |          |                           |                           |
| Share capital   | 3        | 614.98                    | 614.98                    |
| Reserves and surplus  | 4        | 3,604.85                  | 3,379.46                  |
|   |          | <b>4,219.83</b>           | <b>3,994.44</b>           |
| <b>MINORITY INTEREST</b>  |          |                           |                           |
|   |          | <b>19.96</b>              | <b>0.97</b>               |
| <b>NON-CURRENT LIABILITIES</b>                                  |          |                           |                           |
| Long-term borrowings  | 5        | 647.01                    | 1,187.42                  |
| Deferred tax liabilities (net)                                  | 6        | 529.85                    | 583.60                    |
| Long-term provisions  | 7        | 83.74                     | 97.01                     |
|   |          | <b>1,260.60</b>           | <b>1,868.03</b>           |
| <b>CURRENT LIABILITIES</b>                                      |          |                           |                           |
| Short-term borrowings   | 8        | 869.66                    | 668.26                    |
| Trade payables  | 9        | 942.56                    | 861.10                    |
| Other current liabilities                                       | 10       | 506.85                    | 502.63                    |
| Short-term provisions   | 11       | 114.43                    | 101.27                    |
|   |          | <b>2,433.50</b>           | <b>2,133.26</b>           |
| <b>TOTAL</b>  |          | <b>7,933.89</b>           | <b>7,996.70</b>           |
| <b>ASSETS</b>   |          |                           |                           |
| <b>NON-CURRENT ASSETS</b>                                       |          |                           |                           |
| Fixed assets  | 12       |                           |                           |
| Tangible assets   |          | 4,935.87                  | 5,285.98                  |
| Intangible assets   |          | 8.16                      | 9.66                      |
| Capital work-in-progress  |          | 7.04                      | 32.28                     |
| Long-term loans and advances                                    | 13       | 225.56                    | 188.21                    |
| Other Non-current Assets  | 14       | 1.17                      | 4.11                      |
|   |          | <b>5,177.80</b>           | <b>5,520.24</b>           |
| <b>CURRENT ASSETS</b>   |          |                           |                           |
| Current investments   | 15       | 1.75                      | 1.75                      |
| Inventories   | 16       | 807.42                    | 675.51                    |
| Trade receivables   | 17       | 1,583.36                  | 1,428.33                  |
| Cash and cash equivalents                                       | 18       | 122.62                    | 122.90                    |
| Short-term loans and advances                                   | 19       | 195.65                    | 230.07                    |
| Other Current Assets  | 20       | 45.29                     | 17.90                     |
|   |          | <b>2,756.09</b>           | <b>2,476.46</b>           |
| <b>TOTAL</b>  |          | <b>7,933.89</b>           | <b>7,996.70</b>           |
| See accompanying notes forming part of the financial statements |          |                           |                           |

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Gaurav J. Shah**

Partner

Place : Ahmedabad

Date : 2<sup>nd</sup> May, 2015

For and on behalf of the Board of Directors of

**Shilp Gravures Limited**
**Ambar J. Patel**

Managing Director

**Amit Agrawal**

Chief Financial Officer

Place: Rakanpur

Date : 2<sup>nd</sup> May, 2015

**Roshan H. Shah**

Executive Director

**Gurnish Chhabda**

Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

| PARTICULARS   | NOTE NO. | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|---|----------|--------------------------------|--------------------------------|
| Revenue from Operations (Gross)   | 21       | 7,084.95                       | 6,547.50                       |
| Less: Excise Duty   |          | 493.24                         | 506.36                         |
| Revenue from Operations (Net)   |          | 6,591.71                       | 6,041.14                       |
| Other Income  | 22       | 168.56                         | 50.99                          |
| <b>TOTAL REVENUE</b>  |          | <b>6,760.27</b>                | <b>6,092.13</b>                |
| <b>EXPENSES</b>   |          |                                |                                |
| Cost of raw materials consumed  | 23       | 2,248.39                       | 1,988.98                       |
| Purchases of stock-in-trade   |          | -                              | 3.42                           |
| Changes in inventories of finished goods<br>work-in-progress and stock-in-trade | 24       | (39.61)                        | (20.03)                        |
| Employee benefits expense   | 25       | 1,578.79                       | 1,341.07                       |
| Finance costs   | 26       | 250.34                         | 262.71                         |
| Depreciation and amortisation expense   | 12       | 654.04                         | 660.42                         |
| Other expenses  | 27       | 1,526.93                       | 1,411.28                       |
| <b>TOTAL EXPENSES</b>   |          | <b>6,218.88</b>                | <b>5,647.85</b>                |
| <b>Profit before Tax</b>  |          | <b>541.39</b>                  | <b>444.28</b>                  |
| <b>Tax Expenses</b>   |          |                                |                                |
| Current tax   |          | 171.82                         | 146.70                         |
| MAT credit Entitlement  |          | (7.20)                         |                                |
| Short provision for tax relating to prior years                                 |          | 0.24                           | 17.69                          |
| Net current tax   |          | 164.86                         | 164.39                         |
| Deferred tax  |          | (22.21)                        | 64.02                          |
|   |          | <b>142.65</b>                  | <b>228.41</b>                  |
| <b>Profit after tax before share of profit minority interest</b>                |          | <b>398.74</b>                  | <b>215.87</b>                  |
| <b>Less : Minority Interest</b>   |          | <b>19.60</b>                   | <b>(32.74)</b>                 |
| <b>Profit for the year attributable to shareholders of the Company</b>          |          | <b>379.14</b>                  | <b>248.61</b>                  |
| <b>Earnings per Share (of ₹ 10 each)</b>  | 28       |                                |                                |
| Basic and Diluted   |          | 6.17                           | 4.04                           |
| <b>See accompanying notes forming part of the financial statements</b>          |          |                                |                                |

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Gaurav J. Shah**

Partner

Place : Ahmedabad

Date : 2<sup>nd</sup> May, 2015

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

**Ambar J. Patel**

Managing Director

**Amit Agrawal**

Chief Financial Officer

Place: Rakanpur

Date : 2<sup>nd</sup> May, 2015

**Roshan H. Shah**

Executive Director

**Gurnish Chhabda**

Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

| Particulars  | YEAR ENDED<br>31st March,<br>2015 | YEAR ENDED<br>31st March,<br>2014 |
|--|-----------------------------------|-----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                    |                                   |                                   |
| Net profit before tax  | 541.39                            | 444.28                            |
| Adjustments for :  |                                   |                                   |
| Depreciation and amortisation                                    | 654.04                            | 660.42                            |
| Bad debts  | 51.27                             | 24.34                             |
| Provision for Doubtful Trade Receivables                         | -                                 | 33.63                             |
| Financial Cost   | 250.34                            | 262.72                            |
| Interest Income  | (13.68)                           | (22.68)                           |
| Dividend Income  | (0.21)                            | (0.21)                            |
| (Profit)/Loss on Sale/Write off of Fixed Assets                  | (6.46)                            | 0.19                              |
| Net unrealised exchange (gain)/loss                              | (85.16)                           | 38.66                             |
| Provision for warranty expenses                                  | 1.38                              | 6.20                              |
| Discount on sales  | 47.14                             | 40.13                             |
| Provision for Leave and Gratuity                                 | (11.22)                           | (3.23)                            |
| Preliminary & Preoperative Exps Written off                      | 4.33                              | -                                 |
| Liabilities written back   | (29.83)                           | -                                 |
|  | 861.94                            | 1,040.17                          |
| Operating profit before working capital changes                  | 1,403.33                          | 1,484.45                          |
| <u>Changes in Working Capital:</u>                               |                                   |                                   |
| Adjustments for increase / (decrease) in operating liabilities:  |                                   |                                   |
| Trade Payables   | 86.07                             | 12.56                             |
| Long-term Provisions   | (2.05)                            | (1.06)                            |
| Short-term Provisions  | 9.56                              | (108.50)                          |
| Other Current Liabilities  | 5.96                              | 209.65                            |
| Adjustments for (increase) / decrease in operating assets:       |                                   |                                   |
| Trade Receivables  | (159.97)                          | (130.66)                          |
| Inventories  | (131.91)                          | (75.69)                           |
| Long-term Loans and Advances (excluding capital advances)        | 7.09                              | (37.64)                           |
| Short-term Loans and Advances                                    | 34.42                             | (18.05)                           |
| Other Current Assets   | (27.39)                           | -                                 |
| Other Non-Current Assets   | 2.94                              | (0.17)                            |
| Other Current Assets   | (26.42)                           | 8.74                              |
|  | (201.70)                          | (140.82)                          |
| Cash Generated from Operations                                   | 1,201.63                          | 1,343.63                          |
| Taxes Paid   | (180.73)                          | (148.52)                          |
| <b>Net Cash flow from Operating Activities (A)</b>               | <b>1,020.90</b>                   | <b>1,195.11</b>                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                                   |                                   |
| Capital expenditure on fixed assets (including capital advances) | (397.35)                          | (986.44)                          |
| Proceeds from Sale of Fixed Assets                               | 23.77                             | 17.31                             |
| Bank balances not considered as Cash and cash equivalents        |                                   |                                   |
| - Matured  | (2.88)                            | 1.50                              |
| Loans given to Joint venture                                     | -                                 | (102.40)                          |
| Loans repaid by Joint Venture                                    | -                                 | 134.40                            |
| Interest Received  | 13.68                             | 22.68                             |
| Dividend from current investment                                 | 0.21                              | 0.21                              |
| <b>Net Cash Flow used in Investing Activities (B)</b>            | <b>(362.57)</b>                   | <b>(912.74)</b>                   |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd...)

(₹ in Lacs)

| Particulars  | YEAR ENDED<br>31st March,<br>2015  | YEAR ENDED<br>31st March,<br>2014 |
|--|--|-----------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |  |                                   |
| Proceeds from Long Term Borrowings   | 34.10  | 882.50                            |
| Repayment of Long Term Borrowings  | (560.38)   | (717.95)                          |
| Net increase / (decrease) in working capital borrowings  | 201.40   | (80.61)                           |
| Share Issue Expense  | (0.97)   | -                                 |
| Financial Cost   | (248.99)   | (262.72)                          |
| Dividend Paid  | (73.80)  | (92.25)                           |
| Tax on Dividend  | (12.54)  | (15.68)                           |
| <b>Net Cash Flow used in Financing Activities (C)</b>  | <b>(661.18)</b>  | <b>(286.71)</b>                   |
| <b>Net decrease in Cash &amp; Cash Equivalents (A+B+C)</b>   | <b>(2.85)</b>  | <b>(4.34)</b>                     |
| Cash and Cash Equivalents at the beginning of the year   | 116.65   | 120.40                            |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents  | (0.31)   | 0.59                              |
| <b>Cash and Cash Equivalents at the end of the year</b>  | <b>113.49</b>  | <b>116.65</b>                     |
| <b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>   |  |                                   |
| Cash and cash equivalents as per Balance Sheet (Refer Note 18)   | <b>122.62</b>  | <b>122.90</b>                     |
| Less: Bank balances not considered as Cash and cash equivalents<br>(as defined in AS 3 Cash Flow Statements)   | 9.13   | 6.25                              |
| Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18  | <b>113.49</b>  | <b>116.65</b>                     |
| <b>Cash and cash equivalents at the end of the year comprises of</b>   |  |                                   |
| (a) Cash on hand   | 5.46   | 5.27                              |
| (b) Cheques/Drafts on hand   | 38.22  | 23.80                             |
| (c) Balances with Banks  |  |                                   |
| (i) In Current Accounts  | 54.98  | 71.93                             |
| (ii) In deposit accounts with original maturity of less than 3 months  | -  | -                                 |
| (iii) In earmarked accounts  |  |                                   |
| - Unpaid Dividends Accounts  | 14.83  | 15.65                             |
| (d) Others   |  |                                   |
|  | <b>113.49</b>  | <b>116.65</b>                     |
| <b>Note :</b>  |  |                                   |
| Cash and cash equivalents includes ₹ 14.83 Lacs (P.Y. 15.65 Lacs) in earmarked account balances with banks can be utilised only for the specific identified purposes.  |  |                                   |
| In terms of our report attached<br><br><b>For Deloitte Haskins &amp; Sells</b><br>Chartered Accountants<br><br><b>Gaurav J. Shah</b><br>Partner<br><br>Place : Ahmedabad<br>Date : 2 <sup>nd</sup> May, 2015 | For and on behalf of the Board of Directors of<br><b>Shilp Gravures Limited</b><br><br><b>Ambar J. Patel</b><br>Managing Director<br><br><b>Amit Agrawal</b><br>Chief Financial Officer<br><br>Place: Rakanpur<br>Date : 2 <sup>nd</sup> May, 2015 |                                   |
|  | <b>Roshan H. Shah</b><br>Executive Director<br><br><b>Gurnish Chhabda</b><br>Company Secretary   |                                   |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Shilp Gravures Limited (the Company) is a public limited company, incorporated in the year 1993 under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange since 1995. 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 using in printing and packaging industries.

The Company has a subsidiary company Re-Shilp Equipments India Private Limited (“Re-Shilp”), a company incorporated under the provisions of Companies Act, 1956. Re-Shilp is engaged in the business of manufacturing of automation equipments.

The Company is a Joint Venture Partner in HMSU Rollers (India) Private Limited (“HMSU”), a company incorporated under the provisions of Companies Act, 1956. HMSU is engaged in the production of Rubber and PU Rollers, which is using for steel industries, textile industries, laminating industries, printing and packaging industries, etc.

### 2. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the ‘Group’) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### 2.2 Principles of Consolidation:

The consolidated financial statements relate to Shilp Gravures Limited, (the ‘Company’), its subsidiary company and its jointly controlled entity. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the Company i.e., 31 March, 2015. These have been consolidated based on latest available financial statements.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii. Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group’s equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group’s share in the entity.
- iv. The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as ‘Capital Reserve’ and shown under the head ‘Reserves & Surplus’, in the consolidated financial statements. The ‘Goodwill’ / ‘Capital Reserve’ is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.
- v. Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- vi. Goodwill arising on consolidation is not amortised but tested for impairment.
- vii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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

- viii. Following subsidiary companies and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

| Name of the Company                        |                      | Country of Incorporation | Percentage of holding and voting power as at 31 <sup>st</sup> March, 2015 | Percentage of holding and voting power as at 31 <sup>st</sup> March, 2014 |
|--|----------------------|--------------------------|---|---|
| Reshilp Equipments (India) Private Limited | Subsidiary           | India                    | 51%   | 51%   |
| HMSU Rollers (India) Private Limited       | Joint Venture Entity | India                    | 20%   | 20%   |

### 2.3 Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 2.4 Inventories

Inventories are valued at the lower of cost ( FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

### 2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### 2.7 Depreciation and amortization

Depreciation on tangible fixed assets of the Company and its subsidiary and jointly controlled entity has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

### 2.8 Revenue Recognition

#### Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customer. Sales include excise duty but exclude sales tax and value added tax.

#### Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

#### Other Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

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

### 2.9 Tangible Fixed Assets

Fixed assets are stated at cost of acquisition / construction less accumulated depreciation, amortization and impairment loss (if any). Cost comprises of purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost to bring the assets ready for its intended use.

Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized.

Capital assets under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

Intangible assets are stated at cost of acquisition / cost incurred less accumulated amortization.

### 2.10 Foreign Currency Transactions

#### Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement of foreign currency monetary items at Balance Sheet Date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

#### Treatment of Exchange Differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### 2.11 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### 2.12 Employee Benefits

#### Defined Contribution Plans

The entities' contribution to provident fund is considered as defined contribution plans and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet.

### 2.13 Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

### 2.14 Segment Reporting Policy

The group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the group as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

### 2.15 Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss accounts on a straight-line basis over the lease term.

### 2.16 Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### 2.17 Provision for Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets arising from carry forward losses and unabsorbed depreciation, are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### 2.18 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

### 2.19 Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

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

### 3 SHARE CAPITAL

| PARTICULARS   | AS AT 31st MARCH, 2015 |               | AS AT 31st MARCH, 2014 |               |
|---|------------------------|---------------|------------------------|---------------|
|   | (NUMBER)               | (₹ in Lacs)   | (NUMBER)               | (₹ in Lacs)   |
| <b>Authorised:</b><br>Equity Shares of ₹10 each with voting rights                                    | 6,500,000              | 650.00        | 6,500,000              | 650.00        |
| <b>Issued, Subscribed and Paid-up:</b><br>Equity Shares of ₹ 10 each fully paid up with voting rights | 6,149,800              | 614.98        | 6,149,800              | 614.98        |
| <b>Total</b>  | <b>6,149,800</b>       | <b>614.98</b> | <b>6,149,800</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, 2015 |             | AS AT 31st MARCH, 2014 |             |
|---|------------------------|-------------|------------------------|-------------|
|   | (NUMBER)               | (₹ in Lacs) | (NUMBER)               | (₹ in Lacs) |
| Equity Shares with voting rights at the beginning of the year | 6,149,800              | 614.98      | 6,149,800              | 614.98      |
| Issued during the year  | -                      | -           | -                      | -           |
| Bought back during the year                                   | -                      | -           | -                      | -           |
| At the end of the year  | 6,149,800              | 614.98      | 6,149,800              | 614.98      |

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

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. 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 2015, the amount of per share dividend recognised as distributions to equity shareholders was ₹1.20 (31st March 2014 : ₹ 1.20)

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, 2015 |              | AS AT 31st MARCH, 2014 |              |
|--|------------------------|--------------|------------------------|--------------|
|  | NO. OF SHARES HELD     | % OF HOLDING | NO. OF SHARES HELD     | % OF HOLDING |
| Vitthaladas H. Patel                               | 765,756                | 12.45%       | 765,756                | 12.45%       |
| Vitthaladas H. Patel jointly with Hiraben V. Patel | 24,146                 | 0.39%        | 24,146                 | 0.39%        |
| Hiraben V. Patel Jointly with Vitthaladas H. Patel | 382,262                | 6.22%        | 382,262                | 6.22%        |
| Roshan Harshvardhan Shah                           | 309,404                | 5.03%        | 287,685                | 4.68%        |
| Hiraben V. Patel                                   | 584,314                | 9.50%        | 584,314                | 9.50%        |

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

### 4 RESERVES AND SURPLUS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| <b>Capital Reserves</b>   |  |  |
| Opening Balance   | 15.00                                    | 15.00                                    |
| Add : Additional during the year  | -  | -  |
|   | <b>15.00</b>                             | <b>15.00</b>                             |
| <b>General Reserve</b>  |  |  |
| Opening Balance   | 1,259.76                                 | 1,234.76                                 |
| Add : Transfer from the surplus in Statement of Profit & Loss   | 25.00                                    | 25.00                                    |
| <b>Closing Balance</b>  | <b>1,284.76</b>                          | <b>1,259.76</b>                          |
| <b>Surplus in Statement of Profit &amp; Loss</b>  |  |  |
| Opening Balance   | 2,250.12                                 | 1,970.92                                 |
| Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deffered tax) | 65.17                                    | -  |
| Add : Net Profit For the current year   | 473.32                                   | 390.54                                   |
| Less: Appropriation   |  |  |
| Proposed Dividend (Amount per share ₹ 1.20 (Previous Year ₹ 1.20))  | 73.80                                    | 73.80                                    |
| Tax on Proposed Dividend  | 14.76                                    | 12.54                                    |
| Transfer to General Reserves  | 25.00                                    | 25.00                                    |
| <b>Net surplus in the statement of profit and loss</b>  | <b>2,544.71</b>                          | <b>2,250.12</b>                          |
| Share of joint ventures - jointly controlled entity   | (239.62)                                 | (145.42)                                 |
| <b>Total</b>  | <b>3,604.85</b>                          | <b>3,379.46</b>                          |

### 5 LONG TERM BORROWINGS

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| <b>Secured</b>   |  |  |
| Secured term loans from banks (Refer note (i) to (iv) below)             | 434.23                                   | 778.25                                   |
| Unsecured term loans from financial institutions (Refer note (vi) below) | -  | 145.73                                   |
| Share of joint ventures - jointly controlled entity                      |  |  |
| - Secured term loans from banks (Refer note (v) below)                   | 126.40                                   | 168.03                                   |
| - Unsecured term loans from related parties (Refer note (vii) below)     | 86.38                                    | 95.41                                    |
| <b>Total</b>   | <b>647.01</b>                            | <b>1,187.42</b>                          |

#### Secured

- (i) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 133.76 Lacs (Previous Year ₹ 281.76 Lacs), out of which ₹ 103.40 Lacs (Previous Year ₹ 103.40 Lacs) is classified as current maturity. The loan is repayable in 60 Monthly installments of ₹11.50 Lacs each including interest, from March, 2012. The loan is secured by exclusive charge over windmills acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (ii) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 353.65 Lacs (Previous Year ₹ 492.96 Lacs), out of which ₹ 105.14 Lacs (Previous Year ₹ 105.14) is classified as current maturity. The loan is repayable in 60 Monthly installments of ₹ 11.94 Lacs each including interest, from October, 2013. The loan is secured by exclusive charge over the new Imported Machineries acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (iii) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 209.12 Lacs (Previous Year ₹ 260.95 Lacs), out of which ₹ 60.22 Lacs (Previous Year ₹ 60.22 Lacs) is classified as current maturity. The loan is repayable in 60 Monthly installments of ₹6.75 Lacs each including interest, from May, 2013. The loan is secured by exclusive charge over a windmill acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (iv) Hire purchase finances from The Ahmedabad Mercantile Co-operative Bank Limited for Car amounting to ₹ 9.58 Lacs (Previous Year ₹ 11.64 Lacs), out of which ₹ 3.12 Lacs (Previous Year ₹ 3.12) is classified as current maturity, is secured by hypothecation of the Car.
- (v) Loan from Axis Bank Limited has an outstanding amount of ₹ 168.40 Lacs (Previous Year ₹ 198.03 Lacs) out of which ₹ 42.00 Lacs (Previous Year ₹ 30.00 Lacs) is classified as current maturity. The balance is repayable in 42 Monthly installments. The loan is secured by exclusive First Hypothecation / EM Charge of the entire movable/immovable Fixed Assets both Present and Future other than those purchase on Hire Purchase basis and including Factory Land. Further, the loan has been guaranteed by the Corporate Guarantee of all the four Promoter Companies.

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

### Unsecured

- (vi) Unsecured loan amounting to ₹ Nil (Previous Year ₹ 145.73 Lacs) taken from Life Insurance Corporation of India. The loan was availed against Keyman Insurance policies of the key personnels of the Company.
- (vii) Loan from related parties include Indian Rupee loans aggregating to ₹ 18.03 Lacs (Previous Year ₹ 18.03 Lacs) from Indian shareholders of the company / their subsidiary / directors and foreign currency loans aggregating to Euro 0.91 Lacs (Previous Year Euro 0.91 Lacs) equivalent to ₹ 68.35 Lacs (Previous Year ₹ 77.38 Lacs) from the foreign shareholders. These loans are to be repaid in eight quarterly installments starting October 01, 2017.

### 6 DEFERRED TAX LIABILITY

The deferred tax liability/asset comprises of tax effect of timing differences on account of:

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| <b>Deferred Tax Liability</b>  |  |  |
| Difference between book and tax depreciation (Net of deferred tax asset created on tangible fixed assets as per transition provisions to Schedule II of Companies Act, 2013) | 534.55                                   | 584.70                                   |
| <b>Deferred Tax Asset</b>  |  |  |
| Disallowance under the Income Tax Act, 1961  | (4.70)                                   | (1.10)                                   |
| Share of joint ventures - jointly controlled entity  | -  | (1.10)                                   |
| <b>Deferred Tax Liability (net)</b>  | <b>529.85</b>                            | <b>583.60</b>                            |

### 7 LONG TERM PROVISIONS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| <b>Provision for employee benefits</b>              |  |  |
| Provision for gratuity                              | 54.08                                    | 73.23                                    |
| Provision for compensated absences                  | 29.57                                    | 23.78                                    |
| Share of joint ventures - jointly controlled entity | 0.09                                     | -  |
| <b>Total</b>  | <b>83.74</b>                             | <b>97.01</b>                             |

### 8. SHORT TERM BORROWINGS

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| <b>Secured</b>   |  |  |
| <b>Loans repayable on demand</b>   |  |  |
| Cash Credit from Banks (Refer note (i) below)  | 840.18                                   | 653.56                                   |
| Share of joint ventures - jointly controlled entity (Refer note (ii) below)  | 29.48                                    | 14.70                                    |
| <b>Total</b>   | <b>869.66</b>                            | <b>668.26</b>                            |
| (i) Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd. of ₹ 840.18 Lacs (Previous Year ₹ 653.56 Lacs). The same is secured by present and future book debts and inventories of the Company and personal guarantee of some of the promoter directors. |  |  |
| (ii) Working capital loan from Axis Bank Limited of ₹ 147.41 Lacs (Previous Year ₹ 73.51 Lacs). The same is secured by present and future book debts and inventories of the Company.   |  |  |

### 9 TRADE PAYABLES

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Trade payables other than acceptances               | 886.84                                   | 825.09                                   |
| Share of joint ventures - jointly controlled entity | 55.72                                    | 36.01                                    |
| <b>Total</b>  | <b>942.56</b>                            | <b>861.10</b>                            |

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

### 10 OTHER CURRENT LIABILITIES

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| Current maturities of secured long-term debt<br>(Refer Note (i) to (iv) of Note 5 above) | 271.88                                   | 273.93                                   |
| Interest accrued but not due on borrowings   | -  | 2.37                                     |
| Unpaid dividends*  | 14.83                                    | 15.65                                    |
| Statutory remittances  | 46.81                                    | 57.46                                    |
| Payables for purchase of fixed assets  | 20.13                                    | 37.35                                    |
| Advances from customers  | 88.61                                    | 74.09                                    |
| Share of joint ventures - jointly controlled entity                                      | 64.59                                    | 41.78                                    |
| <b>Total</b>   | <b>506.85</b>                            | <b>502.63</b>                            |

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

### 11 SHORT TERM PROVISIONS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Provision for compensated absences                                    | 10.78                                    | 8.73                                     |
| Provision for Warranty Expenses                                       | 7.58                                     | 6.20                                     |
| Provision for tax (net of TDS ₹0.12 lacs) (As at March 31, 2014 ₹Nil) | 7.50                                     | -  |
| Provision for proposed equity dividend                                | 73.80                                    | 73.80                                    |
| Provision for tax on proposed equity dividend                         | 14.76                                    | 12.54                                    |
| Share of joint ventures - jointly controlled entity                   | 0.01                                     | -  |
| <b>Total</b>  | <b>114.43</b>                            | <b>101.27</b>                            |

### 12 FIXED ASSETS (Figures in Brackets represent previous year numbers)

(₹ in Lacs)

| Fixed Assets   | Gross Block                        |                                 |                                 |                                 | Accumulated Depreciation/Amortisation |   |  |                                       |                               | Net Block                     |                               |
|--|------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------------|---|--|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | Balance as<br>at 1st April<br>2014 | Additions<br>during<br>the year | Disposals<br>during<br>the year | As at<br>31st March,<br>2015    | Balance as<br>at 1st April<br>2014    | Depreciation/<br>Amortisation<br>charge for<br>the year | Transfer<br>from<br>Retained<br>Earnings | On<br>disposals<br>during<br>the year | As at<br>31st March,<br>2015  | As at<br>31st March,<br>2015  | As at<br>31st March,<br>2014  |
| <b>a Tangible Assets</b>                               |                                    |                                 |                                 |                                 |                                       |   |  |                                       |                               |                               |                               |
| Freehold Land  | 142.98<br>(142.98)                 | -                               | -                               | 142.98<br>(142.98)              | -                                     | -   | -  | -                                     | -                             | 142.98<br>(142.98)            | 142.98<br>(142.98)            |
| Buildings  | 917.22<br>(867.12)                 | -                               | -                               | 917.22<br>(917.22)              | 177.85<br>(151.13)                    | 29.57<br>(26.71)  | 8.86                                     | -                                     | 216.28<br>(177.85)            | 700.94<br>(739.37)            | 739.37<br>(716.00)            |
| Plant and Machineries                                  | 7,088.52<br>(6,229.95)             | 347.37<br>(888.35)              | -                               | 7,435.89<br>(7,088.52)          | 4,544.96<br>(4,153.53)                | 422.71<br>(407.36)                                      | 14.18                                    | -                                     | 4,981.85<br>(4,544.96)        | 2,454.04<br>(2,543.58)        | 2,543.58<br>(2,076.42)        |
| Windmills  | 1,381.18<br>(1,003.74)             | -                               | -                               | 1,381.18<br>(1,381.17)          | 245.62<br>(175.15)                    | 58.06<br>(70.47)  | -  | -                                     | 303.68<br>(245.62)            | 1,077.50<br>(1,135.55)        | 1,135.56<br>(828.59)          |
| Furniture and Fixtures                                 | 163.03<br>(162.45)                 | 0.37<br>(0.58)                  | -                               | 163.40<br>(163.03)              | 92.89<br>(82.98)                      | 19.08<br>(9.91)   | 12.15                                    | -                                     | 124.12<br>(92.89)             | 39.28<br>(70.14)              | 70.14<br>(79.47)              |
| Vehicles   | 205.10<br>(150.71)                 | 25.56<br>(59.03)                | 36.91<br>(4.64)                 | 193.75<br>(205.10)              | 69.03<br>(53.63)                      | 29.44<br>(16.38)  | 0.95                                     | 20.61<br>(0.98)                       | 78.81<br>(69.03)              | 114.94<br>(136.07)            | 136.08<br>(97.09)             |
| Office Equipments and<br>Computers                     | 562.28<br>(527.92)                 | 15.50<br>(34.36)                | -                               | 577.78<br>(562.28)              | 417.46<br>(390.71)                    | 61.30<br>(26.75)  | 60.24                                    | -                                     | 539.00<br>(417.46)            | 38.78<br>(144.82)             | 144.82<br>(137.20)            |
| Share of joint ventures -<br>jointly controlled entity | 385.64<br>(69.40)                  | 18.21<br>(316.24)               | 1.20                            | 402.65<br>(385.64)              | 12.19                                 | 23.24<br>(12.19)  | -  | 0.19                                  | 35.24<br>(12.17)              | 367.41<br>(373.45)            | 373.45<br>(69.40)             |
| <b>Total</b>   | <b>10,845.95</b><br>(9,154.27)     | <b>407.01</b><br>(1,726.09)     | <b>38.11</b><br>(34.42)         | <b>11,214.85</b><br>(10,845.94) | <b>5,560.00</b><br>(5,007.13)         | <b>643.40</b><br>(569.77)                               | <b>96.38</b>                             | <b>20.80</b><br>(16.92)               | <b>6,278.98</b><br>(5,559.98) | <b>4,935.87</b><br>(5,285.97) | <b>5,285.98</b><br>(4,147.15) |
| <b>b Intangible Assets</b>                             |                                    |                                 |                                 |                                 |                                       |   |  |                                       |                               |                               |                               |
| Goodwill   | 560.44<br>(560.44)                 | -                               | -                               | 560.44<br>(560.44)              | 553.03<br>(462.92)                    | 7.41<br>(90.11)   | -  | -                                     | 560.44<br>(553.03)            | -                             | 7.41<br>(97.52)               |
| Computer software                                      | 3.25<br>(3.25)                     | -                               | -                               | 3.25<br>(3.25)                  | 1.00<br>(0.47)                        | 1.21<br>(0.53)  | 0.94                                     | -                                     | 3.15<br>(1.00)                | 0.10<br>(2.26)                | 2.25<br>(2.78)                |
| Share of joint ventures -<br>jointly controlled entity | -                                  | 10.08                           | -                               | 10.08                           | -                                     | 2.02  | -  | -                                     | 2.02                          | 8.06                          | -                             |
| <b>Total</b>   | <b>563.69</b><br>(563.69)          | <b>10.08</b>                    | <b>-</b>                        | <b>573.77</b><br>(563.69)       | <b>554.03</b><br>(463.39)             | <b>10.64</b><br>(90.64)                                 | <b>0.94</b>                              | <b>-</b>                              | <b>565.61</b><br>(554.03)     | <b>8.16</b><br>(9.67)         | <b>9.66</b><br>(100.30)       |
| <b>Grand Total</b>                                     | <b>11,409.64</b><br>(9,717.96)     | <b>417.09</b><br>(1,726.09)     | <b>38.11</b><br>34.42           | <b>11,788.62</b><br>(11,409.63) | <b>6,114.03</b><br>(5,470.52)         | <b>654.04</b><br>(660.41)                               | <b>97.32</b>                             | <b>20.80</b><br>(16.92)               | <b>6,844.59</b><br>(6,114.01) | <b>4,944.03</b><br>(5,295.64) | <b>5,295.64</b><br>(4,247.45) |

1. Plant and Machinery includes softwares being an integral part of plant and machinery

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

### 13 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| Capital advances   | 9.90                                     | 3.64                                     |
| Security deposits  | 69.24                                    | 59.69                                    |
| Advance income tax (net of provisions ₹515.16 lacs (As at 31 March, 2014 ₹349.07 lacs) | 52.25                                    | 40.36                                    |
| Mat Credit Entitlement   | 7.20                                     | -  |
| Loans to related party refer note 33)  | 80.00                                    | 80.00                                    |
| Share of joint ventures - jointly controlled entity                                    | 6.97                                     | 4.52                                     |
| <b>Total</b>   | <b>225.56</b>                            | <b>188.21</b>                            |

### 14 OTHER NON-CURRENT ASSETS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Preliminary and Pre-operative expenses              | -  | 1.10                                     |
| Share of joint ventures - jointly controlled entity | 1.17                                     | 3.01                                     |
| <b>TOTAL</b>  | <b>1.17</b>                              | <b>4.11</b>                              |

### 15 CURRENT INVESTMENTS

| PARTICULARS  | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|--|--|
| <b>Investment in Equity instruments - Unquoted (at Cost)</b>   |  |  |
| 3,500(As at 31st March 2014 - 3,500) Equity Shares of The Ahmedabad Mercantile Co-operative Bank Ltd.at ₹50 each fully paid up | 1.75                                     | 1.75                                     |
| <b>Total</b>   | <b>1.75</b>                              | <b>1.75</b>                              |

### 16 INVENTORIES (At lower of cost or net Realisable Value)

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Raw materials                                       | 456.93                                   | 416.42                                   |
| Raw materials - Goods-in transit                    | 15.66                                    | 2.08                                     |
| Work-in-progress                                    | 181.42                                   | 145.86                                   |
| Finished goods                                      | 8.43                                     | 6.45                                     |
| Stock-in-trade                                      | -  | 0.84                                     |
| Stores and spares                                   | 85.60                                    | 56.51                                    |
| Stores and spares - Goods-in transit                | -  | 0.91                                     |
| Packing materials                                   | 1.51                                     | 2.15                                     |
| Share of joint ventures - jointly controlled entity | 57.87                                    | 44.29                                    |
| <b>Total</b>  | <b>807.42</b>                            | <b>675.51</b>                            |

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

### 17 TRADE RECEIVABLES

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| <b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b> |  |  |
| Unsecured, considered good  | 25.93                                    | 56.82                                    |
| Doubtful  | -  | 33.63                                    |
|   | 25.93                                    | 90.45                                    |
| Less: Provision for doubtful trade receivables  | 3.80                                     | 33.63                                    |
|   | <b>22.13</b>                             | <b>56.82</b>                             |
| <b>Other trade receivables</b>  |  |  |
| Unsecured, considered good  | 1,527.67                                 | 1,344.13                                 |
| Share of joint ventures - jointly controlled entity   | 33.56                                    | 27.38                                    |
| <b>Total</b>  | <b>1583.36</b>                           | <b>1428.33</b>                           |

### 18 CASH AND CASH EQUIVALENTS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Cash on hand  | 5.35                                     | 4.99                                     |
| Cheques, drafts on hand   | 38.22                                    | 23.80                                    |
| Balances with banks   |  |  |
| In Current accounts   | 53.25                                    | 71.49                                    |
| In Earmarked accounts   |  |  |
| - Unpaid dividend accounts  | 14.83                                    | 15.65                                    |
| Bank Deposits with more than 3 months, but below 12 months maturity | 4.11                                     | 0.25                                     |
| <b>Total</b>  | <b>115.76</b>                            | <b>116.18</b>                            |
| Share of joint ventures - jointly controlled entity                 | <b>6.86</b>                              | <b>6.72</b>                              |
|   | <b>122.62</b>                            | <b>122.90</b>                            |

### 19 SHORT TERM LOANS AND ADVANCES

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Advance to suppliers  | 5.97                                     | 5.19                                     |
| Security deposits   |  |  |
| To Related Parties  | -  | 1.51                                     |
| To Others   | 2.97                                     | 4.42                                     |
| Prepaid expenses  | 38.20                                    | 32.12                                    |
| Cenvat credit receivable  | 8.34                                     | 13.98                                    |
| Service tax credit receivable   | 47.41                                    | 37.09                                    |
| VAT tax credit receivable   | 2.07                                     | -  |
| Receivable from Uttar Gujarat Vij Company Limited for power generation                    | 18.07                                    | 25.99                                    |
| Cenvat Receivable on Capital Goods to the extent credit not available in the current year | 26.66                                    | 61.71                                    |
| Others  | 6.63                                     | 11.47                                    |
| Share of joint ventures - jointly controlled entity                                       | 39.33                                    | 36.59                                    |
| <b>Total</b>  | <b>195.65</b>                            | <b>230.07</b>                            |

### 20 OTHER CURRENT ASSETS

| PARTICULARS   | AS AT<br>31st MARCH, 2015<br>(₹ in Lacs) | AS AT<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|--|--|
| Receivable for business support services from related party | 20.62                                    | 0.04                                     |
| Interest Receivable from related party                      | 24.07                                    | 16.85                                    |
| Share of joint ventures - jointly controlled entity         | 0.60                                     | 1.01                                     |
| <b>Total</b>  | <b>45.29</b>                             | <b>17.90</b>                             |

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

### 21 REVENUE FROM OPERATIONS

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| Sale of products                                    | 5,050.71                                      | 4,724.68                                      |
| Less : Excise Duty                                  | 493.24  | 506.36  |
|   | <b>4,557.47</b>                               | <b>4,218.32</b>                               |
| Sale of services                                    | 2,144.29                                      | 1,937.91                                      |
| Less : Service Tax                                  | 235.70  | 213.49  |
|   | <b>1,908.59</b>                               | <b>1,724.42</b>                               |
| Trading sales                                       | 0.68  | 15.36   |
| Other operating revenue                             |   |   |
| - Scrap Sales                                       | 87.29   | 82.79   |
| Less: Discount on sales                             | (47.14)                                       | (40.13)                                       |
| Share of joint ventures - jointly controlled entity | 84.82   | 40.38   |
| <b>Total</b>  | <b>6,591.71</b>                               | <b>6,041.14</b>                               |

### 22 OTHER INCOMES

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| Interest income from banks                          | 1.98  | 2.02  |
| Interest income from Joint Venture                  | 11.76   | 17.18   |
| Interest income from advances                       | 2.93  | 3.01  |
| Dividend income from current investment             | 0.21  | 0.21  |
| Recovery of bad debts written off in earlier years  | 1.20  | 1.46  |
| Gain on foreign exchange rate fluctuation (net)     | 69.28   | -   |
| Business support services                           | 15.07   | 23.04   |
| Provisions no longer required written back          | 29.83   | -   |
| Profit on sale of machines tools                    | 8.09  | -   |
| Misc Income   | 2.98  | 3.08  |
| Share of joint ventures - jointly controlled entity | 25.23   | 0.99  |
| <b>Total</b>  | <b>168.56</b>                                 | <b>50.99</b>                                  |

### 23 COST OF RAW MATERIAL CONSUMED

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| Opening stock                                       | 418.49  | 387.42  |
| Add : Purchases                                     | 2,251.43                                      | 1,982.13                                      |
| Less : Closing Stock                                | 472.59  | 418.49  |
|   | <b>2,197.33</b>                               | <b>1,951.06</b>                               |
| Share of joint ventures - jointly controlled entity | 51.06   | 37.92   |
| <b>Total</b>  | <b>2,248.39</b>                               | <b>1,988.98</b>                               |

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

### 24 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| <b>INVENTORIES AT THE BEGINNING OF THE YEAR</b>     |   |   |
| Finished goods of engraved rollers                  | 6.45  | 6.60  |
| Work-in-progress of engraved rollers                | 145.86  | 127.88  |
| Stock-in-trade                                      | 0.84  | 4.44  |
|   | 153.15  | 138.92  |
| <b>INVENTORIES AT THE END OF THE YEAR</b>           |   |   |
| Finished goods of engraved rollers                  | 8.43  | 6.45  |
| Work-in-progress of engraved rollers                | 181.42  | 145.86  |
| Stock-in-trade                                      | -   | 0.84  |
|   | <b>189.85</b>                                 | <b>153.15</b>                                 |
| <b>CHANGE IN INVENTORIES</b>                        | <b>(36.70)</b>                                | <b>(14.23)</b>                                |
| Share of joint ventures - jointly controlled entity | (2.91)  | (5.80)  |
| <b>NET CHANGE IN INVENTORIES</b>                    | <b>(39.61)</b>                                | <b>(20.03)</b>                                |

### 25 EMPLOYEE BENEFITS EXPENSES

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| Salaries, wages and bonus                           | 1,367.40                                      | 1,175.74                                      |
| Contributions to provident fund and other funds     | 71.65   | 53.62   |
| Staff welfare expenses                              | 110.57  | 96.86   |
| Share of joint ventures - jointly controlled entity | 29.17   | 14.85   |
| <b>Total</b>  | <b>1,578.79</b>                               | <b>1,341.07</b>                               |

### 26 FINANCE COSTS

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|---|---|---|
| <b>Interest expense</b>                             |   |   |
| On term loans                                       | 111.25  | 132.04  |
| On working capital loans                            | 95.00   | 87.88   |
| Bank Charges  | 1.85  | 1.35  |
| Other borrowing costs                               | 7.78  | 3.96  |
| Share of joint ventures - jointly controlled entity | 34.46   | 37.48   |
| <b>Total</b>  | <b>250.34</b>                                 | <b>262.71</b>                                 |

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

### 27 OTHER EXPENSES

| PARTICULARS  | YEAR ENDED<br>31st MARCH, 2015<br>(₹ in Lacs) | YEAR ENDED<br>31st MARCH, 2014<br>(₹ in Lacs) |
|--|---|---|
| Consumption of stores and spare parts  | 437.96  | 367.78  |
| Consumption of packing materials   | 85.11   | 75.42   |
| Increase/(decrease) of excise duty on inventory  | (0.23)  | 0.82  |
| Power & Fuel (Net of energy income from windmill ₹ 224.86 Lacs<br>(Previous Year ₹ 214.70 Lacs)) | 107.35  | 94.92   |
| Repairs and Maintenance  | -   |   |
| Plant & Machinery  | 84.21   | 65.36   |
| Building   | 77.72   | 29.17   |
| Others   | 55.81   | 40.33   |
| Factory Expenses   | 36.93   | 40.19   |
| Rent   | 28.03   | 22.94   |
| Rates & Taxes  | 0.09  | 0.75  |
| Legal Consultancy and Professional Charges   | 77.04   | 62.73   |
| Conveyance and Travelling  | 99.96   | 126.64  |
| Communication Expenses   | 21.33   | 21.15   |
| Stationary, Printing and subscription  | 14.23   | 12.13   |
| Insurance Premium  | 36.27   | 43.39   |
| Auditors' Remuneration   | 9.74  | 9.50  |
| Computer Expenses  | 11.71   | 13.83   |
| Bad debts  | 51.27   | 24.34   |
| Provision for Doubtful Trade Receivables   | -   | 33.63   |
| Donation   | 4.41  | 13.33   |
| Clearing & Forwarding  | 82.50   | 62.60   |
| Sales Commision  | 34.62   | 36.09   |
| Advertisement and Business Promotion   | 18.64   | 39.93   |
| Royalty Exps   | 0.82  | 2.05  |
| Preliminary & Preoperative Exps Written off  | 1.10  | 0.54  |
| Selling Expenses   | 24.48   | -   |
| Loss on foreign exchange rate fluctuation (net)  | -   | 51.70   |
| Loss on sale of fixed assets (net)   | 1.56  | 0.19  |
| Warranty Expenses  | 1.38  | 6.20  |
| Corporate and Social Responsibility Expenses   | 16.00   | -   |
| Miscellaneous Expenses   | 29.20   | 45.13   |
| Share of joint ventures - jointly controlled entity  | 77.69   | 68.50   |
| <b>Total</b>   | <b>1,526.93</b>                               | <b>1,411.28</b>                               |

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

### 28 EARNING PER SHARE (EPS)

| PARTICULARS  | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|--|--------------------------------|--------------------------------|
| <b>Basic and Diluted</b>                                       |                                |                                |
| Profit attributable to equity share holders (₹ in Lacs)        | 379.14                         | 248.61                         |
| Nominal Value of equity share (₹/Share)                        | 10                             | 10                             |
| Weighted average number of ordinary equity share for Basic EPS | 6,149,800                      | 6,149,800                      |
| <b>Basic and Diluted EPS (₹/Share)</b>                         | <b>6.17</b>                    | <b>4.04</b>                    |

### 29 EMPLOYEE BENEFITS

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 47.28 Lacs (Year ended 31 March, 2014 - ₹ 39.15 Lacs) for Provident Fund contributions, and ₹ 6.24 Lacs (Year ended 31 March, 2014 - ₹ 6.24 Lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

As per Accounting Standard 15 "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 for the year: (₹ in Lacs)

| Particulars  | Gratuity                       |                                | Leave Encashment               |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Current service cost                                   | 13.37                          | 12.59                          | 3.89                           | 4.18                           |
| Interest Cost  | 14.38                          | 12.98                          | 2.19                           | 1.91                           |
| Expected return on plan assets                         | (10.14)                        | (8.21)                         | -                              | -                              |
| Net actuarial losses (gains)                           | 14.40                          | (9.39)                         | 12.81                          | 2.87                           |
| Share of joint ventures<br>- jointly controlled entity | 0.30                           | -                              | 0.13                           | -                              |
| <b>Total</b>   | <b>32.31</b>                   | <b>7.97</b>                    | <b>19.02</b>                   | <b>8.96</b>                    |

##### II. Reconciliation of opening and closing balances of defined benefit obligation: (₹ in Lacs)

| Particulars   | Gratuity                       |                                | Leave Encashment               |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Defined benefit obligation at beginning of the year       | 179.44                         | 163.14                         | 29.06                          | 27.68                          |
| Service cost  | 13.37                          | 12.59                          | 3.89                           | 4.18                           |
| Interest cost   | 14.38                          | 12.98                          | 2.19                           | 1.91                           |
| Actuarial losses (gains)                                  | 13.70                          | (9.39)                         | 12.81                          | 2.87                           |
| Benefits paid   | (42.83)                        | (1.77)                         | (9.97)                         | (7.58)                         |
| Share of joint ventures<br>- jointly controlled entity    | 0.35                           | -                              | 0.17                           | -                              |
| <b>Defined benefit obligation at year end of the year</b> | <b>178.41</b>                  | <b>177.55</b>                  | <b>38.15</b>                   | <b>29.06</b>                   |

##### III. Reconciliation of Opening and Closing balances of fair value of plan assets: (₹ in Lacs)

| Particulars  | Gratuity                       |                                | Leave Encashment               |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Fair value of plan assets at beginning of the year     | 104.32                         | 83.43                          | -                              | -                              |
| Expected return on plan assets                         | 10.14                          | 8.21                           | -                              | -                              |
| Actuarial gains and (losses)                           | (0.88)                         | -                              | -                              | -                              |
| Contributions by employer                              | 49.87                          | 14.45                          | -                              | -                              |
| Benefits paid  | (42.83)                        | (1.77)                         | -                              | -                              |
| Adjustment to fund                                     | -                              | -                              | -                              | -                              |
| Share of joint ventures<br>- jointly controlled entity | 0.80                           | -                              | -                              | -                              |
| <b>Fair value of plan assets at year end</b>           | <b>121.42</b>                  | <b>104.32</b>                  | <b>-</b>                       | <b>-</b>                       |

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

### IV. Investment details:

| Particulars       | % invested as at<br>31st MARCH, 2015 | % invested as at<br>31st MARCH, 2014 |
|-------------------|--------------------------------------|--------------------------------------|
| Insurance Company | 100%                                 | 100%                                 |

### V. Actuarial Assumptions:

(₹ in Lacs)

| Particulars                                   | Gratuity                       |                                | Leave Encashment               |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 | Year Ended<br>31st March, 2015 | Year Ended<br>31st March, 2014 |
| Mortality Table (LIC)                         | 1994-96 (Ultimate)             | 1994-96 (Ultimate)             | 1994-96 (Ultimate)             | 1994-96 (Ultimate)             |
| Discount Rate (per annum)                     | 7.80%                          | 9.10%                          | 7.80%                          | 9.10%                          |
| Expected Return on plan assets<br>(per annum) | 9.15%                          | 9.15%                          | -                              | -                              |
| Rate of escalation in salary<br>(per annum)   | 6.00%                          | 6.00%                          | 6.00%                          | 6.00%                          |

### VI. Past five year's data for defined benefit obligation and fair value of plan is as under:

(₹ in Lacs)

| Particulars   | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---------|---------|---------|---------|---------|
| Present value of defined benefit obligations at the end of the year (Independent actuary) | 97.79   | 111.67  | 128.52  | 163.14  | 177.55  |
| Fair value of plan assets at the end of the year  | 45.11   | 52.65   | 71.15   | 83.43   | 104.32  |
| Net assets / (Liability) at the end of the year   | 52.68   | 59.02   | 57.37   | 79.71   | 73.23   |

## 2. Defined Contribution Plans.

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

(₹ in Lacs)

| PARTICULARS   | YEAR ENDED<br>31st MARCH, 2015 | YEAR ENDED<br>31st MARCH, 2014 |
|---|--------------------------------|--------------------------------|
| Employer's Contribution to Provident Fund           | 47.28                          | 39.15                          |
| Employers' Contribution to Superannuation Fund      | 6.24                           | 6.24                           |
| Share of joint ventures - jointly controlled entity | 0.90                           | -                              |

## 30 LEASES

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 28.03 Lacs (P.Y. ₹ 23.91 Lacs) have been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

(₹ in Lacs)

| Particulars                                   | As at<br>31st MARCH, 2015 | As at<br>31st MARCH, 2014 |
|---|---------------------------|---------------------------|
| Not later than 1 year                         | 24.37                     | 22.91                     |
| Later than 1 year but not later than 5 years. | -                         | -                         |

## 31 CAPITAL AND OTHER COMMITMENTS

(₹ in Lacs)

| Particulars  | As at<br>31st MARCH, 2015 | As at<br>31st MARCH, 2014 |
|--|---------------------------|---------------------------|
| Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance) | 9.13                      | 8.50                      |
| Estimated amount of investment to be made in joint venture   | -                         | 50.00                     |
| Share of joint ventures - jointly controlled entity  | 1.45                      | -                         |

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

### 32 CONTINGENT LIABILITIES

(₹in Lacs)

| Particulars   | As at<br>31st MARCH, 2015 | As at<br>31st MARCH, 2014 |
|---|---------------------------|---------------------------|
| Disputed demand of income tax against which the Company has preferred appeal  | 75.49                     | 28.44                     |
| Disputed amount of service tax credit where company has gone to Custom Excise and Service Tax Appellate Tribunal      | 6.62                      | -                         |
| Disputed amount of service tax credit where company has gone to Commissioner Appeals of Custom Excise and Service Tax | 2.48                      | -                         |
| Corporate Guarantee given*  | 238.00                    | 238.00                    |

\* The Company has provided Corporate Guarantee for an amount of ₹ 238.00 Lacs in favour of Axis Bank Limited for the Term Loan provided to HMSU Rollers (India) Private Limited, a Joint Venture Company.

### 33 RELATED PARTY DISCLOSURES

#### a) Related parties and their relationship

| Name of the related party  | Relationship   |
|--|--|
| Mr. Ambar J. Patel<br>Mr. Roshan Shah<br>Mr. G.V. Bhavsar<br>Mr. Narendra Patil<br>Mr. Atul Vinchhi          | Key Management Personnel   |
| Mr. Vitthaladas H. Patel   | Individuals exercising significant influence over the enterprise                 |
| Shilp Ultra-tech Pvt Ltd.<br>Stylus Infrastructure Pvt Ltd.<br>Carol Enterprise<br>Carol<br>Hira Corporation | Entity controlled by Key Management Personnel                                    |
| Mr. Deval A. Patel<br>Mr. Siddharth N. Patil<br>Mrs. Madhuri A. Vinchhi                                      | Relative of Key Management Personnel   |
| HMSU Rollers (India) Private Limited   | Jointly Control Entity   |
| Hannecard N.V.<br>Mitex GMBH<br>Unimark International Private Limited  | Co-venturers of HMSU Rollers (India) Private Limited - Jointly Controlled Entity |

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

b) Details of related party transactions during the year ended March 31, 2015 and balances outstanding as at March 31, 2015

(₹ in Lacs)

| Nature of transactions          | Name of the related party | Amount           | Outstanding balance as at 31st March, 2015 |
|---------------------------------|---------------------------|------------------|--|
| Mr. Ambar J. Patel              | Remuneration Paid         | 51.53<br>(44.81) | 7.81 Cr.<br>(6.79) Cr.                     |
|                                 | Dividend Paid             | 2.93<br>(3.66)   | -<br>-                                     |
| Mr. Roshan Shah                 | Remuneration Paid         | 50.92<br>(44.29) | 7.77 Cr.<br>(6.76) Cr.                     |
|                                 | Dividend Paid             | 3.70<br>(2.53)   | -<br>-                                     |
| Mr. G.V. Bhavsar                | Remuneration Paid         | 50.92<br>(44.29) | 7.77 Cr.<br>(6.76) Cr.                     |
|                                 | Dividend Paid             | 3.71<br>(4.75)   | -<br>-                                     |
| Mr. Siddharth N. Patil          | Remuneration Paid         | 3.95<br>(4.08)   | 0.55<br>(0.54)                             |
| Mr. Narendra Patil              | Remuneration Paid         | 50.92<br>(44.29) | 7.72 Cr.<br>(6.71) Cr.                     |
|                                 | Dividend Paid             | 2.19<br>(2.74)   | -<br>-                                     |
| Mr. Atul Vinchhi                | Remuneration Paid         | 50.92<br>(44.29) | 7.72 Cr.<br>(6.71) Cr.                     |
|                                 | Dividend Paid             | 3.47<br>(4.57)   | -<br>-                                     |
| Mr. Vitthaldas H. Patel         | Remuneration Paid         | 15.00<br>(30.00) | 15.00 Cr.<br>(30.00) Cr.                   |
|                                 | Dividend Paid             | 9.48<br>(12.10)  | -<br>-                                     |
| Shilp Ultratech Private Limited | Commission Paid           | -<br>(1.41)      | (1.41) Cr.                                 |
| Stylus Infrastructure Pvt Ltd.  | Rent Paid                 | 6.93<br>(6.45)   | -<br>-                                     |
| Hira Corporation                | Rent Paid                 | -<br>(0.15)      | -<br>-                                     |

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

| Nature of transactions                | Name of the related party                          | Amount           | Outstanding balance as at 31st March, 2015 |
|---------------------------------------|--|------------------|--|
| Hannecard N.V.                        | Contribution in equity shares capital received     | 15.00<br>(44.93) | 89.93 Cr.<br>(74.93) Cr.                   |
|                                       | Contribution in preference shares capital received | 22.50<br>(0)     | 22.50 Cr.<br>(0) Cr.                       |
|                                       | Purchase of goods                                  | 25.39<br>(29.74) | 17.39 Cr.<br>(18.39) Cr.                   |
|                                       | Services received                                  | 3.74<br>(5.41)   | 3.27 Cr.<br>(5.41) Cr.                     |
|                                       | Expenses reiumbursed to                            | 0.26<br>(1.05)   | 0.26 Cr.<br>(1.05) Cr.                     |
|                                       | Interest Paid/Provided                             | 2.05<br>(2.39)   | 4,21 Cr.<br>(2,27) Cr.                     |
|                                       | Loan Received / Repaid                             | 0<br>(0)         | 30.64 Cr.<br>(37.70) Cr.                   |
| Mitex GMBH                            | Contribution in equity shares capital received     | 15.00<br>(44.93) | 89.93 Cr.<br>(74.94) Cr.                   |
|                                       | Contribution in preference shares capital received | 22.50<br>(0)     | 22.50 Cr.<br>(0)                           |
|                                       | Purchase of goods                                  | 9.63<br>(6.47)   | 9.37 Cr.<br>(1.36) Cr.                     |
|                                       | Services received                                  | 2.54<br>(2.23)   | 1.23 Cr.<br>(1.95) Cr.                     |
|                                       | Expenses reiumbursed to                            | 1.80<br>(0)      | 0.18 Cr.<br>(0)                            |
|                                       | Interest Paid/Provided                             | 0.25<br>(2.39)   | 4.21 Cr.<br>(2.27) Cr.                     |
|                                       | Loan Received / Repaid                             | 0<br>(0)         | 30.64 Cr.<br>(37.70) Cr.                   |
| Unimark International Private Limited | Contribution in equity shares capital received     | 10.00<br>(29.96) | 59.96 Cr.<br>(49.96) Cr.                   |
|                                       | Contribution in preference shares capital received | 15.00<br>(0)     | 15.00 Cr.<br>(0)                           |
|                                       | Interest Paid/Provided                             | 0<br>(3.41)      | 0<br>(2.87) Cr.                            |
|                                       | Loan Received                                      | 0<br>(4.00)      | 0<br>(0)                                   |
|                                       | Loan Repaid  | 0<br>(32.00)     | 0<br>(0)                                   |
| Mr. Deval A. Patel                    | Remuneration Paid                                  | 4.26<br>(3.91)   | 0.55 Cr.<br>(0.49) Cr.                     |
| Mrs. Madhuri A. Vinchhi               | Remuneration Paid                                  | 1.78<br>(1.26)   | 0.31 Cr.<br>(0.25) Cr.                     |

### 34 SEGMENT REPORTING

The Company has identified business segments as its primary segment and geographical segments as its secondary segment. Reportable business segments are primarily (i) manufacture at engraved copper rollers and (ii) energy generation through wind mill (iii) Automation Equipment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

The segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amount allocated on a reasonable basis by management.

Disclosures required under AS 17 – Segment Reporting are as under:

(Figures in brackets represent previous year numbers)

(₹ in lacs)

| Particulars   | Engraved Copper Roller | Wind Mill              | Automation Equipments | Others             | Total                  |
|---|------------------------|------------------------|-----------------------|--------------------|------------------------|
| Revenue   | 5,448.94<br>(5,147.50) | 224.86<br>(214.70)     | 775.14<br>(616.38)    | 368.27<br>(277.26) | 6,817.21<br>(6,255.84) |
| Less: Inter segment Revenue   | 0.64                   | 224.86<br>(214.70)     |                       |                    | 225.50<br>(214.70)     |
| Total   | 5,448.30<br>(5,147.50) | -<br>-                 | 775.14<br>(616.38)    | 368.27<br>(277.26) | 6,591.71<br>(6,041.14) |
| Segment results   | 579.05<br>(662.75)     | 124.67<br>(117.49)     | (24.09)<br>(65.61)    | (62.43)<br>(59.59) | 617.20<br>(655.04)     |
| Unallocable expenses (net)  |                        |                        |                       |                    | 253.35<br>(262.72)     |
| Operating income  |                        |                        |                       |                    | 363.85<br>(392.31)     |
| Other income (net)  |                        |                        |                       |                    | 177.54<br>(51.96)      |
| Profit before taxes   |                        |                        |                       |                    | 541.39<br>(444.29)     |
| Tax expense   |                        |                        |                       |                    | 142.65<br>(228.41)     |
| Profit for the year   |                        |                        |                       |                    | 398.74<br>(215.88)     |
| Segment assets  | 4,951.31<br>(4,592.89) | 1,086.25<br>(1,149.34) | 391.40<br>(405.85)    | 837.45<br>(705.79) | 7,266.41<br>(6,853.87) |
| Unallocable assets  |                        |                        |                       |                    | 667.48<br>(1,404.23)   |
| Total assets  |                        |                        |                       |                    | 7,933.89<br>(8,258.10) |
| Segment liabilities   | 695.80<br>(611.27)     | (16.07)<br>(12.66)     | 349.62<br>(403.89)    | 433.06<br>(716.12) | 1,462.41<br>(1,743.94) |
| Unallocable liabilities   |                        |                        |                       |                    | 2,251.65<br>(2,519.72) |
| Total liabilities   |                        |                        |                       |                    | 3,714.06<br>(4,263.66) |
| Other information   |                        |                        |                       |                    |                        |
| Capital expenditure (allocable)   | 247.48<br>(1,031.73)   | -<br>(377.44)          | 2.80<br>-             | 166.82<br>-        | 417.10<br>(1,409.17)   |
| Depreciation and amortisation (allocable)   | 532.72<br>(554.34)     | 58.06<br>(70.47)       | 4.80<br>(21.50)       | 58.46<br>(21.50)   | 654.04<br>(646.31)     |
| Other significant non-cash expenses (allocable) (E.g., Provision for doubtful debts, Impairment, etc.) (give details) | -<br>(29.83)           | -<br>-                 | -<br>-                | -<br>-             | (29.83)                |

### 35 FINANCIAL AND DERIVATIVE INSTRUMENTS

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

| Particulars                                   |                               | Foreign Currency   | Indian Currency Equivalent<br>(₹ in Lacs)    |
|---|-------------------------------|--|--|
| Amounts receivable in foreign currency        | <b>AS AT 31ST MARCH, 2015</b> | <b>USD 8266.54</b>   | <b>5.17</b>                                  |
|   | AS AT 31ST MARCH, 2014        | USD 76200.63   | 45.66  |
| Amounts payable in foreign currency           | <b>AS AT 31ST MARCH, 2015</b> | <b>USD 4400.00</b><br><b>EURO 298381.48</b><br><b>CHF 21930.71</b> | <b>2.75</b><br><b>231.65</b><br><b>14.09</b> |
|   | AS AT 31ST MARCH, 2014        | USD 2600.00  | 1.56   |
|   |                               | EURO 379407.55<br>CHF 9223.00                                      | 371.04<br>6.26                               |
| Amounts payable in foreign currency<br>(HMSU) | <b>AS AT 31ST MARCH, 2015</b> | <b>EURO 275327</b>   | <b>184.99</b>                                |
|   | AS AT 31ST MARCH, 2014        | EURO 116559  | 96.38  |

### 36 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.

### 37 INTEREST IN JOINT VENTURE

The Company has entered into a Joint Venture Agreement with three Companies namely, Hannecard N.V., Mitex GMBH and Unimark International Private Limited to incorporate a Joint Venture Company in the name of HMSU Rollers (India) Private Limited on 1st February, 2012. The said Joint Venture Company is engaged in the manufacturing of Rubber Rollers and Poly Urethane Rollers. The Company has commenced its commercial operations with effect from 18th April, 2013.

The Company has interests in the following jointly controlled entity:

(Figures in brackets represent previous year figures)

| Name of companies and country of incorporation | % of interest / ownership | Amount of interest based on accounts for the year ended 31 March, 2015<br>(₹ in lacs) |                    |                   |                    |                     |                      |
|--|---------------------------|---|--------------------|-------------------|--------------------|---------------------|----------------------|
|  |                           | Assets  | Liabilities        | Income            | Expenditure        | Capital commitments | Contingent Liability |
| HMSU Rollers (India) Pvt. Ltd, India (audited) | 20%                       | 523.92<br>(500.39)  | 388.75<br>(364.04) | 110.05<br>(42.35) | 221.44<br>(167.60) | 1.45<br>(50.00)     | -<br>-               |

### 38 DISCLOSURES AS PER CLAUSE 32 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGE

Loans and Advances in the nature of loans given to joint venture :

(₹ in lacs)

(Figures in brackets represent previous year numbers)

| Name of the Company                            | Relationship  | As at 31st March, 2015 | Maximum Balance outstanding during the year |
|--|---------------|------------------------|---|
| HMSU Rollers (India) Pvt. Ltd, India (Audited) | Joint Venture | 100.00<br>(100.00)     | 160.00<br>(168.00)                          |

39 Figures pertaining to the subsidiary company and joint venture have been reclassified wherever necessary to bring them in line with the Company's financial statements.

40 Figures of previous year have been regrouped / reclassified, wherever necessary, to make them comparable with current year figures.

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

**Roshan H. Shah**  
Executive Director

**Gaurav J. Shah**

Partner

**Amit Agrawal**  
Chief Financial Officer

**Gurnish Chhabda**  
Company Secretary

Place : Ahmedabad

Date : 2<sup>nd</sup> May, 2015

Place : Rakanpur

Date : 2<sup>nd</sup> May, 2015

**ANNEXURE - A**

**FORM AOC -1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of the subsidiaries / associate companies / joint ventures

**PART "A" : Subsidiaries**

(Amount in ₹)

|     |  |                                      |
|-----|--|--------------------------------------|
| 1.  | Name of the Subsidiary   | ReShilp Equipments (India) Pvt. Ltd. |
| 2.  | Reporting period of the subsidiary concerned   | 31/03/2015                           |
| 3.  | Reporting currency and Exchange rate as on the last date of the relevant Financial year(in the case of foreign subsidiaries) | INR                                  |
| 4.  | Share Capital  | 57,22,880                            |
| 5.  | Reserves and Surplus   | (15,93,532)                          |
| 6.  | Total Assets   | 3,91,90,794                          |
| 7.  | Total Liabilities  | 3,50,61,447                          |
| 8.  | Investments  | -                                    |
| 9.  | Turnover   | 7,75,13,917                          |
| 10. | Profit before taxation   | 39,85,497                            |
| 11. | Provision for taxation   | (69,925)                             |
| 12. | Profit after taxation  | 40,55,422                            |
| 13. | Proposed Dividend  | -                                    |
| 14. | % of shareholding  | 51%                                  |

**PART "B" : Associates & Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

|    |  |   |
|----|--|---|
| 1. | Name of the Joint Venture  | HMSU Rollers (India) Pvt. Ltd.                            |
| 2. | Last Audited Balance Sheet   | 31/03/2015  |
| 3. | Shares of the Joint Ventures held by the Company on the year end         |   |
|    | No.  | Equity shares – 29,97,800<br>Preference Shares – 7,50,000 |
|    | Amount of Investment in Joint Venture                                    | Equity : ₹ 2,99,78,000<br>Preference : ₹ 75,00,000        |
|    | Extend of holding (%)  | Equity : 20%<br>Preference : 20%                          |
| 4. | Description of how there is significant influence                        | Joint Venture Agreement                                   |
| 5. | Reason why the Associate / Joint Venture is not consolidated             | Not applicable  |
| 6. | Net worth attributable to shareholding as per last audited Balance Sheet | 6,72,88,606   |
| 7. | Profit / Loss for the year   |   |
|    | Loss considered in consolidation   | (94,19,469)   |
|    | Loss not considered in consolidation                                     | (3,76,77,876)   |



## SHILP GRAVURES LIMITED

(CIN: L27100GJ1993PLC020552)

Registered Office: 778/6 Pramukh Industrial Estate, Village: Rakanpur, Taluka: Kalol, Dist. Gandhinagar – 382 721, Gujarat, India

Email: admin@shilpgravures.com, Website: www.shilpgravures.com

Phone: 02764 – 286323/24, Fax: 02764 – 286335

ATTENDANCE SLIP

### 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)*

|            |  |               |  |
|------------|--|---------------|--|
| DP ID*     |  | Folio No.     |  |
| Client ID* |  | No. of Shares |  |

Name of the Shareholder(s) / Proxy # : \_\_\_\_\_

Address of the Shareholder(s) / Proxy # : \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company held on Wednesday, 23<sup>rd</sup> September, 2015, 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 – 382 721, 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:

- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her;
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her;
- 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 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Wednesday, the 23<sup>rd</sup> September, 2015 at the Registered Office of the Company and any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions   | Optional* |         |
|----------------|---|-----------|---------|
|                |   | For       | Against |
|                | <b>ORDINARY BUSINESS</b>  |           |         |
| 1              | Adoption of Audited Financial Statements and Reports thereof for the financial year ended 31 <sup>st</sup> March, 2015  |           |         |
| 2              | Declaration of dividend of the Equity Shares of the Company for the year 2014-15  |           |         |
| 3              | Re-appointment of Mr. Nipam Shah as a Director, who retires by rotation   |           |         |
| 4              | Ratification of the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company and to fix their remuneration for the financial year ending 31 <sup>st</sup> March, 2016 |           |         |
|                | <b>SPECIAL BUSINESS</b>   |           |         |
| 5              | Appointment of Dr. Baldev Patel as Director   |           |         |
| 6              | Revision in the terms of appointment and the remuneration payable to Mr. Ambar Patel  |           |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
 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

