

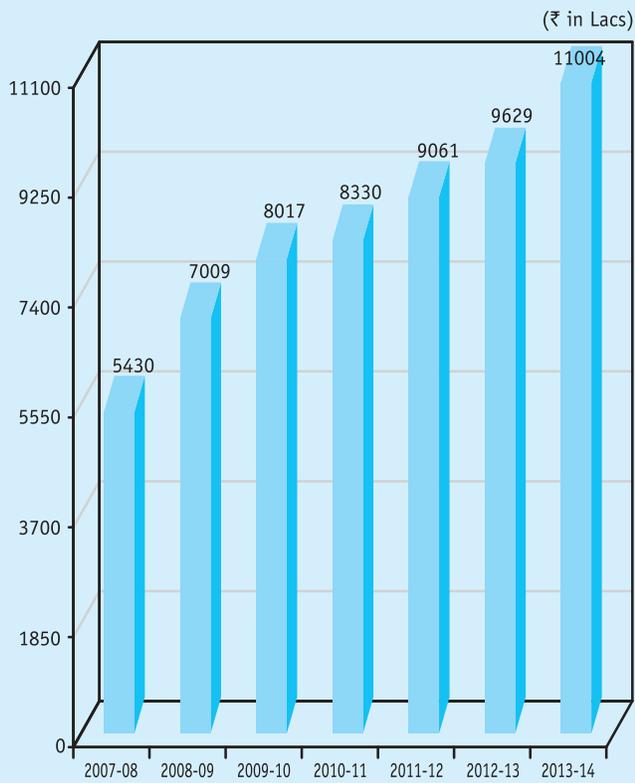


SHILP™
GRAVURES
LIMITED

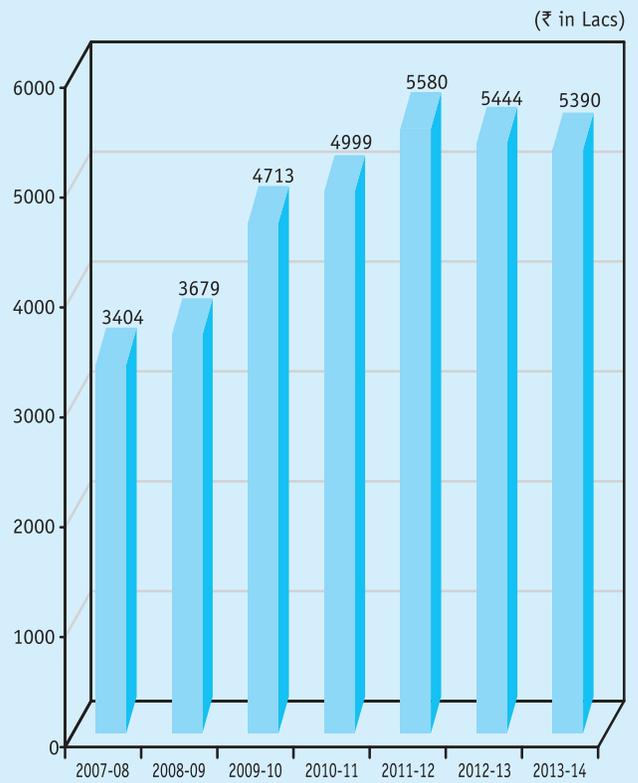
21st ANNUAL REPORT 2013-2014



GROSS ASSETS



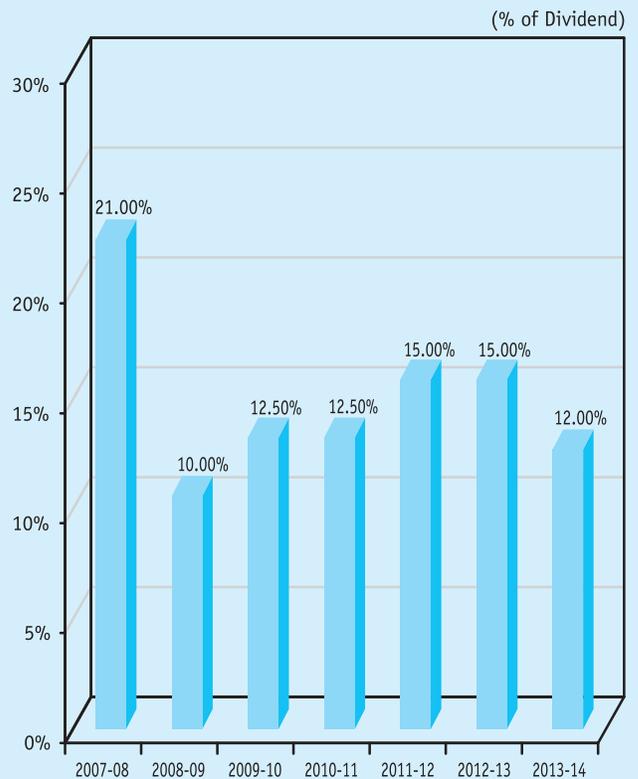
TURNOVER



SHAREHOLDER'S FUND



DIVIDEND DISTRIBUTION



CORPORATE INFORMATION

BOARD OF DIRECTORS

Vithaldas H. Patel (DIN 00126972)	<i>Non - Executive Director & Chairman</i>
Ambar J. Patel (DIN 00050042)	<i>Managing Director</i>
Roshan H. Shah (DIN 00093647)	<i>Whole - Time Director</i>
G. V. Bhavsar (DIN 00349658)	<i>Whole - Time Director</i>
Shailesh C. Desai (DIN 00169595)	<i>Independent Director</i>
Chinubhai R. Shah (DIN 00558310)	<i>Independent Director</i>
Nipam R. Shah (DIN 00093697)	<i>Independent Director</i>
Dr. Navin P. Patel (DIN 00093859)	<i>Independent Director</i>
Rajendra S. Shah (DIN 00061922)	<i>Independent Director</i>
Jainand G. Vyas (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

ENGINEERING DIVISION

5, Raghuvir Industrial Estate,
Nr. Kothari Cross Road,
Village: Santej, Tal. Kalol,
Dist. Gandhinagar - 382 721
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 OPERATING OFFICER

Atul M. Vinchhi

CHIEF TECHNICAL OFFICER

Narendra R. Patil

CHIEF FINANCIAL OFFICER

Chandraprakash G. Devpura

COMPANY SECRETARY

Pragnesh S. Darji
(M) +91-9925246511
e-mail:pragneshdarji@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

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NOTICE

NOTICE is hereby given that, the TWENTY FIRST ANNUAL GENERAL MEETING of the members of SHILP GRAVURES LIMITED will be held on **Wednesday, the 03rd day of September, 2014** at 05.00 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 31st March, 2014 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 2013-14, if any.
3. To appoint a Director in place of Mr. Vitthaldas H. Patel, who retires by rotation and being eligible offers himself for re - appointment.
4. To appoint Statutory Auditors and to fix their remuneration and to pass, with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad a firm bearing Registration Number 117365W be and is hereby Re - Appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Fifth AGM of the Company to be held in 2018 (Subject to ratification of their appointment in every AGM) at 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 Mr. Chinubhai Shah as an Independent Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Chinubhai Shah (DIN 00558310), a Non – Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 03rd September, 2014 up to 02nd September, 2019.

6. Appointment of Mr. Shailesh Desai as an Independent Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Shailesh Desai (DIN 00169595), a Non – Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director,, be and is hereby appointed as an Independent Director of the Company with effect from 03rd September, 2014 up to 02nd September, 2019.

7. Appointment of Dr. Navin Patel as an Independent Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Dr. Navin Patel (DIN 00093859), a Non – Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director,, be and is hereby appointed as an Independent Director of the Company with effect from 03rd September, 2014 up to 02nd September, 2019.

8. Appointment of Mr. Rajendra Shah as an Independent Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Rajendra Shah (DIN 00061922), a Non – Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director,, be and is hereby appointed as an Independent Director of the Company with effect from 03rd September, 2014 up to 02nd September, 2019.

9. Appointment of Mr. Jainand Vyas as an Independent Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Jainand Vyas (DIN 02656340), a Non – Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director,, be and is hereby appointed as an Independent Director of the Company with effect from 03rd September, 2014 up to 02nd September, 2019.

10. Appointment of Mr. Nipam Shah as an Independent Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Nipam Shah (DIN 00093697), a Non – Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director,, be and is hereby appointed as an Independent Director of the Company with effect from 03rd September, 2014 up to 02nd September, 2019.

11. Appointment of Mrs. Monica Kanuga as Director

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

RESOLVED THAT pursuant to the provisions of 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, Mrs. Monica Kanuga (DIN: 06919996), 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 her candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire of 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.

12. Revision in term of appointment of Mr. Gajanan Bhavsar

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

RESOLVED THAT in modification of the earlier Resolution passed by the shareholders at an Extra Ordinary General Meeting held on 21st May, 2013 and subject to the provisions of Section 152, 196 and other applicable provisions, if any, read with Schedule V to the Companies, Act, 2013 or any statutory modification(s) or re-enactment thereof for the time being in force and subject to the approval of the Central Government, if any required, and as approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Company be and is hereby accorded for variation in the term of Appointment of Mr. Gajanan Bhavsar, Whole - Time Director, so as to make his office liable to retire by rotation.

RESOLVED FURTHER THAT the other terms of his appointment as a Director and a Whole time Director remain unchanged.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised 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.

13. Revision in term of appointment of Mr. Roshan Shah

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

RESOLVED THAT in modification of the earlier Resolution passed by the shareholders at an Extra Ordinary General Meeting held on 21st May, 2013 and subject to the provisions of Section 152, 196 and other applicable provisions, if any, read with Schedule V to the Companies, Act, 2013 or any statutory modification(s) or re-enactment thereof for the time being in force and subject to the approval of the Central Government, if any required, and as approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Company be and is hereby accorded for variation in the term of Appointment of Mr. Roshan Shah, Whole - Time Director (Marketing), so as to make his office liable to retire by rotation.

RESOLVED FURTHER THAT the other terms of his appointment as a Director and a Whole time Director remain unchanged.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised 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.

14. Transactions with Related Party u/s 188 of the Companies Act, 2013

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

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant clauses of the Listing Agreement, consent be and is hereby accorded for entering into Related Party Transaction by the Company with effect from 01st April, 2014 upto the Maximum per annum amounts as appended below:

(₹ in Lacs)

MAXIMUM VALUE OF CONTRACT/ TRANSACTION (PER ANNUM) WEF 01 ST APRIL, 2014				
	Transactions defined u/s 188(1) of the Companies Act, 2013			
	Sale, Purchase of Supply of any goods, materials	Selling or otherwise dispose of, or buying, property of any kind	Leasing of property of any kind	Availing or rendering of any services
NAME OF RELATED PARTIES:-	On actual basis. Exempted being in the ordinary course of business and on arm's length price.			
COMPANIES:		—	—	—
TRUST/ SOCIETY/ FIRM/ LLP		—	—	—
SUBSIDIARY/ JOINT VENTURE				
ReShilp Equipments (India) Private Limited		—	2.00	—
HMSU Rollers (India) Private Limited		—	—	25.00
DIRECTORS/ KMPs/ RELATIVE OF DIRECTORS AND KMPs/ OTHER FIRMS AND COMPANIES in which Directors have some interest as per the provisions of Section 2(76) of the Companies Act, 2013				
Mrs. Monica Kanuga		—	—	5.00
Mr. Rameshchandra Shah		—	—	5.00
Mr. Sundeep Shah		—	—	1.00

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors and/ or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalise any documents and writings relating thereto.

By Order of the Board
For Shilp Gravures Limited

Place : Rakanpur
Date : 26.07.2014
Corporate Identification Number (CIN): L27100GJ1993PLC020552

Pragnesh Darji
Company Secretary

NOTES

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 201 (act) in respect of business under Item No. 4, 5 and 7 to 15 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. 4 and 7 to 14 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 23rd August, 2014 to Wednesday, 03rd September, 2014 (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 03rd September, 2014 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 22nd August, 2014.
 - b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requested lodged with the Company on or before the close of business hours on 22nd August, 2014.
5. Following is the name and address of the Registrar & Share Transfer Agents:
Sharepro Services (India) Private Limited
416-420, 4th 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 changes 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 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, amount of dividend for the year ended on 31st March, 2006, were deposited with Investors' Education and Protection Fund (IEPF) Account of the Central Government on 15/10/2013 and amount of dividend for the year ended on 31st March, 2007, were deposited with Investors' Education and Protection Fund (IEPF) Account of the Central Government on 17/07/2014.
11. The Notice of the AGM along with the Annual Report 2013 – 14 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.
12. To support "Green Initiative", the members who have not registered their e-mail addresses are requested to register the same with SSIPL/ depositories.
13. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
14. 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 e-voting are as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website 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 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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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. • 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 RA00000100 in the PAN field.
DOB#	<p>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.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • 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 number of shares held by you as on the cut off date in the Dividend Bank details field.

- (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.
- (xiii) 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.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) 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 to helpdesk.evoting@cDSLindia.com.
 - After receiving the login details they have to create a user who 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 and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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 under help section or write an email to helpdesk.evoting@cDSLindia.com.

E-voting Period

- The E-voting period commences on 25th August, 2014 (09.00 a.m.) and ends on 27th August, 2014 (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 25th July, 2014, 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.
- 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 25th July, 2014.
- Ms. Monica Kanuga, Company Secretaries in practice has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast (2) witnesses not in the employment of the Company and make a scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The results shall be declared alongwith the scrutinizer’s report on the Company’s website www.shilpgravures.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchange.

EXPLANATORY STATEMENT

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

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under item No. 4 and 6 to 15 of the accompanying notice:

Item No. 4:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. Deloitte Haskins & Sells (DHS), (ICAI firm Registration Number 117365W), Chartered Accountants (CAs), Ahmedabad were appointed as Statutory Auditors of the Company for the Financial Year 2013-14 at the Annual General Meeting (AGM) of the Company held on 14th August, 2013. DHS have been auditors of the Company since 2008-09 and have completed a term of six years. As per the provisions of Section 139 of the Act, no Listed Company can appoint or re-appoint an Audit firm as auditor for more than two terms of five consecutive years.

In view of the above, DHS, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors have, at their meeting held on 01st May, 2014, proposed the appointment of DHS as the Statutory Auditors of the Company for a period of four years to hold office from the conclusion of this AGM till the conclusion of the Twenty Fifth AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM)/

The Board recommends the resolution at Item No. 4 for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relative of directors and KMP is concerned or interested in the resolution at Item No. 4 of the accompanying notice.

Item No. 5 to 10:

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange, appointed Mr. Chinubhai Shah, Mr. Shailesh Desai, Dr. Navin Patel, Mr. Rajendra Shah, Mr. Jainand Vyas and Mr. Nipam Shah, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 01, 2014, every listed public Company is required to have at least one – third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

The Nominations Committee has recommended the re-appointment of these directors as Independent Directors for a period of five years.

Mr. Chinubhai Shah, Mr. Shailesh Desai, Dr. Navin Patel, Mr. Rajendra Shah, Mr. Jainand Vyas and Mr. Nipam Shah, Non –Executive Directors of the Company, have given a declaration to the Board that they meet the criteria of Independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The Company has received the deposit amount of ₹ 1,00,000/- for each such appointment of Directors, from members, as is required to be obtained under Section 160(1) of the Companies Act, 2013.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

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

Mr. Chinubhai Shah is M.A. with first position from Gujarat University and a gold medalist having obtained first position in LL.M. examination with distinction. He was subsequently admitted as a fellow member of the ICSI. Life fellowship was conferred on him by all India management association in recognition of his outstanding contribution to the professional management movement. In a career spanning more than 35 years, he has held top position in industry and held directorship in many well-known companies. He taught at the IIM, Ahmedabad regular MBA classes for more than 12 years and was a member of the board of governors of IIM, Ahmedabad. He has also served as president of the Gujarat investors & Shareholders association for the period more than 10 years. He had also served on the direct tax advisory committee of the ministry of finance.

Mr. Shailesh Desai is a leading Tax Consultant practicing in Ahmedabad. Mr. Desai started his independent practice in the year 1983 in the field of Income Tax, Sales Tax and Allied Laws. Since then he has been dealing with Income Tax Matters and Financial Planning with reference to prevailing tax laws. He has occupied various positions at professional associations like: member of Managing Committee, Treasurer, Hon. Jt. Secretary, Vice President of Income Tax Bar Association and later on became President in the year 2002 and 2003, Hon. Secretary - All Gujarat Federation of Tax Consultants in the year 2001-02, Vice President in the year 2002-2003 and President in the year 2012-13. He was also a Member of the Taxation Committee of Gujarat chamber of Commerce and Industries in the year 2001-02 and 2002-03.

Dr. Navin Patel is a leading Pediatrician practicing in Ahmedabad for last more than 30 years. He is professional with rich business experience in general. He is also attached to various reputed Hospitals like Sterling Hospital, Laxmi Hospital etc. and has featured in various government campaigns and programmes. Dr. Patel is a valuable Independent Director on the Board, as he shall bring a humane touch and plays huge role in CSR activities of the Company.

Mr. Rajendra Shah is Mechanical Engineer from LE Engineering College, Morbi. He has entrepreneurial insight into running engineering business. Rajendra Shah has woven his life around Harsha Engineers Limited, a TS 16949:2002 certified company. In a career spanning over forty years, Rajendra shah has made a humble but sincere effort come good. He has been awarded “Best Entrepreneur - 2001” by Ahmedabad Management Association, Ahmedabad.

Mr. Jainand Vyas is having rich experience of more than 35 years in the field of accounts, finance, audit, taxation etc. He has worked with reputed companies like, GRUH Finance Ltd., NIRMA Group and presently with Intas Pharmaceuticals Limited. Since 2001, he is working as Vice President (Finance) with Intas Pharmaceuticals Limited, Ahmedabad which has a turnover of ₹ 1500 crores.

Mr. Nipam Shah is a Chartered Accountant(CA) by qualification and has an experience spanning over 30 years across the sectors in advising Joint Ventures, Acquisitions, Cross-Border Transactions, Private Equity, In-bound and out-bound investments to and from India and Corporate growth strategies. . Mr. Shah has extensively worked in Information Technology, Infrastructure, Polymers and Consumer sector. Mr. Shah has also, served as a Member of the Board of Directors of several companies, banks and non-profit organisations. Mr. Shah is a Founder and Managing Director of NRS Advisors Pvt. Ltd., which is a boutique corporate Advisory firm based out of Ahmedabad, Gujarat.

The Board recommends the resolution at Item No. 5 to 10 for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relative of directors and KMP except the appointees is concerned or interested in the resolution at Item No. 5 to 10 of the accompanying notice.

Item No. 11

Pursuant to the provisions of second proviso to Section 149(1) of the Act, which came in to effect from April 01, 2014, every listed public Company is required to have at least one Woman Director.

Subsequently, the Board of Directors of the Company, on the recommendation of Nominations and Remuneration Committee, appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. Monica Kanuga as an Additional Director of the Company with effect from 26th July, 2014.

In terms of the provisions of Section 161(1) of the Act, Mrs. Monica Kanuga would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Monica Kanuga for the office of Director of the Company.

Mrs. Monica Kanuga 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 Mrs. Monica Kanuga is given below:

Mrs. Monica Kanuga is a Fellow member of the Institute of Company Secretaries of India (ICSI) by qualification and has an experience spanning over two decades across the sectors in providing consultation in the fields of Company Law, SEBI laws, Capital Market, Corporate Restructuring and Joint Venture formations. She has also been actively involved with drafting of Funding Agreements for venture or angel investors. At present she runs her own proprietorship firm of Practicing Company Secretaries and is associated with number of business houses in the private sector as well as in the public sector as Corporate Consultant rendering exclusive, qualitative professional services to the clients. She is also a regular speaker at various forum like educational institutions, the Institute of Company Secretaries and other professional bodies.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Monica Kanuga be appointed as a Director.

Copy of the draft letter for appointment of Mrs. Monica Kanuga 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 at Item No. 11 for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relative of directors and KMP except Mrs. Monica Kanuga is concerned or interested in the resolution at Item No. 11 of the accompanying notice.

Item No. 12 & 13

Pursuant to the provisions of Section 152(6)(a) of the Act, which came in to effect from April 01, 2014, not less than two – thirds of the total number of Directors of a Public Company shall be persons whose period of office is liable to determination by retirement of directors by rotation. Provisions of Section 149(13) of the Act provides that the retirement of directors by rotation shall not be applicable to Independent Directors and hence, while calculating the total number of Directors of the Company, independent directors shall not be included.

The Board of the Company comprises of total 10 directors out of which 6 directors fall under the category of Independent Directors and are not liable for determination by retirement of directors by rotation. Hence, to comply with the requirement of provisions of Section 152(6)(a) of the Act, the Company is required to appoint 3 out of 4 directors on the Board as a Directors liable to determination by retirement by rotation.

In compliance with the provisions of Section 152(6)(a) of the Act, it is proposed to make the offices of the Executive Directors other than the Managing Director liable to retire by rotation. Accordingly, the revised term of appointment of Mr. Roshan Shah as Whole Time Director (Marketing) and Mr. Gajanan Bhavsar as Whole Time Director, with their offices proposed to be rotational is now being placed before the Members for their approval. There is no other change in their terms of appointment. The proposed change has been necessitated by the implementation of the new Companies Act.

The Board recommends the resolution at Item No. 12 & 13 for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relative of directors and KMP except the appointees is concerned or interested in the resolution at Item No. 12 & 13 of the accompanying notice.

Item No. 14

Transactions with Related Parties u/s 188 of the Companies Act, 2013

The provisions of Section 188(1) of the 2013 Act that govern the following Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in case the paid-up share capital of a Company is ₹ 10 Crores or more, the prior approval of Shareholders by way of Special Resolution:

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

Whereas, Clause 49 of the Listing Agreement requires all Related Party Transactions which are likely to continue after 01st April, 2015, to be approved by the Shareholders.

In the light of provisions of the Companies Act, 2013 and Listing Agreement, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the Companies Act, 2013) for the Financial Year 2014-2015 and beyond.

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

(₹ in Lacs)

MAXIMUM VALUE OF CONTRACT/ TRANSACTION (PER ANNUM) WEF 01 ST APRIL, 2014				
	Transactions defined u/s 188(1) of the Companies Act, 2013			
	Sale, Purchase of Supply of any goods, materials	Selling or otherwise dispose of, or buying, property of any kind	Leasing of property of any kind	Availing or rendering of any services
NAME OF RELATED PARTIES:-	On actual basis.			
COMPANIES:	Exempted being in the ordinary course of business and on arm's length price.	—	—	—
TRUST/ SOCIETY/ FIRM/ LLP		—	—	—
SUBSIDIARY/ JOINT VENTURE				
ReShilp Equipments (India) Private Limited		—	2.00	—
HMSU Rollers (India) Private Limited		—	—	25.00
DIRECTORS/ KMPs/ RELATIVE OF DIRECTORS AND KMPs/ OTHER FIRMS AND COMPANIES in which Directors have some interest as per the provisions of Section 2(76) of the Companies Act, 2013				
Mrs. Monica Kanuga		—	—	5.00
Mr. Rameshchandra Shah		—	—	5.00
Mr. Sundeep Shah		—	—	1.00

- (a) Name of the related party and nature of relationship: As provided in table above.
- (b) Nature, duration of the contract and particulars of the contract or arrangement.
- The Company has leased out the office premises situated at 101 Kashi Parekh Complex, B/h. Bhagwati Chambers, Nr. Swastik Cross Road, C. G. Road, Ahmedabad - 380 009 to ReShilp Equipments (India) Private Limited – a Subsidiary Company at rent amount of ₹ 10,000 per month for the period of 11 months which can be renewed for further period of 11 months with an escalation of 10% in the rent amount.
 - The Company is providing management services to HMSU Rollers (India) Private Limited – a Joint Venture Company on day-to-day basis and for which Company is receiving an aggregate amount not exceeding ₹ 25.00 Lacs per annum.
 - Mrs. Monica Kanuga is a Practicing Company Secretary. She provides professional & advisory services to the Company since over a decade and the Board of Directors have proposed to continue her services at such professional fees which do not exceed ₹ 5.00 Lacs per annum.
 - Mr. Rameshchandra T. Shah is leading Tax Practitioner in Ahmedabad and is providing Tax advisory services to the Company.
 - Mr. Sundeep Shah is providing his professional services for the Gujarat Pollution Control Board (GPCB). All the approvals required by the Company in relation to Air and Water pollution is taken care by Mr. Sundeep Shah.

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

The Board of Directors of your Company has approved this item in the Board Meeting held on 26th July, 2014 and recommends the Resolution as set out in the accompanying Notice for the approval of the Company as a Special Resolution.

Except Mr. Ambar Patel, Mr. Roshan Shah, Mrs. Monica Kanuga and Mr. Nipam R. Shah and their relatives, no other Director is concerned or interested in the Resolution.

ANNEXURE TO NOTICE

Details of Directors seeking Re-Appointment at the Annual General Meeting to be held on 03rd September, 2014 (Pursuant to Clause 49 of the Listing Agreement):

Name	Mr. Vitthal Das Patel	Mr. Roshan Shah	Mr. Gajanan Bhavsar	Mr. Chinubhai Shah	Mr. Shailesh Desai	Dr. Navin Patel	Mr. Rajendra Shah	Mr. Jainand Vyas	Mr. Nipam Shah	Mrs. Monica Kanuga
Date of Birth	18.01.1925	24.08.1960	04.06.1960	04.06.1937	24.12.1953	06.02.1954	01.02.1948	13.11.1953	16.09.1961	07.09.1968
Date of Appointment	29.10.1993	16.06.1994	08.08.2009	30.07.2008	02.12.2003	02.12.2003	30.07.2008	08.08.2009	05.11.2011	26.07.2014
Qualifications	Matriculation	B.E. (Chemical), Masters Management Studies (Marketing)	Diploma in Printing Technology	M.A., LL.M (Gold Medalist), DLP, DTP, Fellow Company Secretary, Life Fellow AIIMA	B.Com., LLB	MBBS, MD (Pediatrician)	Mechanical Engineer	B.Com., LLB, Fellow Chartered Accountant	Chartered Accountant	B.Com., LLB., Company Secretary
Expertise in specific Functional Area	Experience of more than 50 years. Mr. Vitthal Das Patel is a veteran in the business field and possesses very rich experience in the trading and banking industry. Apart from banking, he has led many organisations.	Over 30 years of experience in Marketing different products like Grave Rollers, Photopolymer Plates, Offset Plates etc.	33 years of experience in the sales and marketing field of printing industry.	More than 35 years of Senior Management and Board Level experience with various Companies. He has also been associated as Director on the Board of several well known Companies like G.S.C. Ltd., Nimra Ltd, Meghmani Organics Ltd, Cadila Pharmaceuticals Ltd etc	Experience of over 30 years in the field of Direct Taxes as well as Sales Tax.	Experience over 30 years as a Pediatrician. He provides advisory services for health & fitness in various government campaigns and also leads Corporate Social Responsibility Services in various hospitals	More than 40 years of experience in the field of manufacturing of bearings.	Rich experience in the fields of Accounts, Finance, Audit, Taxation etc. He has served in many reputed Companies and presently working with Intas Pharmaceuticals Ltd.	Experience of more than 30 years in advising Joint Ventures, Acquisitions, Cross-Border Transactions, Private Equity, In-bound and out-bound investments to and from India and Corporate growth strategies.	Experience over two decades across the sectors in providing consultation in the fields of Company Law, SEBI laws, Capital Market, Corporate Restructuring and Joint Venture formations.
Directorships held in other public Companies (Excluding foreign and private Companies)	NIL	NIL	NIL	- Apollo Hospitals International Ltd - Aman Lease & Finance Ltd. - Cadila Pharmaceuticals Ltd - G.S.E.C. Ltd - Gulmahor Greens - Golf & Country Club Ltd. - Meghmani Organics Ltd - Meghmani Finchem Ltd - Nimra Ltd - Saline Area Vitalization Enterprise Ltd	NIL	NIL	- Harsha Engineers Ltd. - Transformers & Rectifiers (India) Ltd. - Welcast Steels Ltd. - AIA Engineering Ltd. - Becotek Precision Bearing Components (Suzhou) Co. Ltd.	NIL	NIL	NIL
Committee Memberships/ Chairmanship in other public Companies	NIL	NIL	NIL	Audit Committee: - Aman Lease & Finance Ltd. - G.S.E.C. Ltd Chairmanship: - Meghmani Organics Ltd - Cadila Pharmaceuticals Ltd Shareholders' & Investors' Grievances Committee: - Nil Chairmanship: - Aman Lease & Finance Ltd. - Meghmani Organics Ltd Remuneration Committee: - Nil	NIL	NIL	Audit Committee: - Nil Chairmanship: - Transformers & Rectifiers (India) Ltd. - AIA Engineering Ltd. Shareholders' & Investors' Grievances Committee: - Nil Chairmanship: - Transformers & Rectifiers (India) Ltd. - AIA Engineering Ltd. Remuneration Committee: - Nil Chairmanship: - Transformers & Rectifiers (India) Ltd. - AIA Engineering Ltd.	NIL	NIL	NIL
Shareholding of Directors - As on 31.03.2014	789902 Equity Shares of Rs.10/- each.	287685 Equity Shares of Rs.10/- each.	309410 Equity Shares of Rs.10/- each.	NIL	1000 Equity Shares of Rs. 10/- each.	NIL	NIL	1000 Equity Shares of Rs. 10/- each.	NIL	NIL
Relationships between directors inter-se	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



DIRECTORS' REPORT:

Your Directors have pleasure in presenting the Twenty First Directors' Report along with the Audited Accounts of the Company for the year ended on 31st March, 2014.

1. FINANCIAL RESULTS:

(a) Standalone Financial Results of Shilp Gravures Limited

(₹ in Lacs)

Particulars	For the year ended on 31 st March, 2014	For the year ended on 31 st March, 2013
Revenue from Operations and Other Income	5438.93	5483.97
Profit Before Depreciation and Amortisation expenses, Finance Cost and Tax	1505.02	1571.33
Less : Depreciation and Amortisation expenses	646.31	622.12
Finance Cost	224.70	186.84
Profit before Tax	634.01	762.37
Less : Current tax expense for current year	164.39	180.29
Deferred tax	46.68	32.95
Net Profit after Tax	422.94	549.13
Balance Brought Forward	1967.56	1826.36
Amount available for appropriations	2390.50	2375.49
Appropriation:		
General Reserves	25.00	300.00
Proposed Dividend	73.80	92.24
Corporate Dividend Tax	12.54	15.68
Balance Carried to Balance Sheet	2279.16	1967.57

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

(₹ in Lacs)

Particulars	For the year ended on 31 st March, 2014	For the year ended on 31 st March, 2013
Revenue from Operations and Other Income	6092.13	6076.26
Profit Before Depreciation and Amortisation expenses, Finance Cost and Tax	1367.42	1578.92
Less : Depreciation and Amortisation expenses	660.42	623.85
Finance Cost	262.72	187.57
Profit before Tax	444.28	767.50
Less : Current tax expense for current year	164.39	181.20
Deferred tax	64.02	32.67
Net Profit after Tax	215.87	553.63
Less : Minority Interest	(32.74)	2.30
Profit Attributable to Shareholders of the Company	248.61	551.33
Balance Brought Forward	1967.44	1824.04
Amount available for appropriations	2216.05	2375.37
Appropriation:		
General Reserves	25.00	300.00
Proposed Dividend	73.80	92.25
Corporate Dividend Tax	12.54	15.68
Balance Carried to Balance Sheet	2104.71	1967.44

2. RESULTS OF OPERATIONS:

Standalone Accounts

- Total Revenue during the financial year 2013 - 14 decreased to 5438.92 Lacs from ₹ 5483.97 Lacs during the previous year.
- Profit after Tax was ₹ 422.94 Lacs during the financial year 2013-14 as compared to ₹ 549.13 during the previous year, a decrease of 24.42%.
- Earnings Per Share was ₹ 6.88 during the Financial year 2013-14 as compared to ₹ 8.93 during the previous year, a decrease of 24.42%

Consolidated Accounts

- Consolidated total Revenue during the Financial Year 2013-14 comes to ₹ 6547.50 Lacs as compared to ₹ 6076.26 Lacs in Previous Year.

3. APPROPRIATIONS & RESERVES

Dividend

Based on the Company's performance for the financial year 2013 - 14 and a positive outlook for the future, the Board of Directors ("the Board") are pleased to recommend a final dividend of ₹ 1.20/- per share, being 12.00% on the par 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 2013 - 14. The proposed dividend would absorb ₹ 86.34 lacs including corporate dividend tax.

Transfer to Reserves

The Company proposes to transfer a sum of ₹ 25.00 Lacs to the General Reserve being 5.91% of the Current year's profit in accordance with Companies (transfer of profits to Reserves) Rules, 1975.

4. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has only one Subsidiary as on March 31, 2014 by the name of "ReShilp Equipments (India) Private Limited. 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 this Subsidiary.

As required under the Listing Agreement entered into with the Stock Exchange, consolidated Financial Statements of the Company and its subsidiary and associate company are attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Companies Act, 1956. The consolidated financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiary and its associate Company.

Pursuant to the provision of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary company with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2014 is included in the annual report. The annual accounts of these subsidiaries and the related information will be made available to any member of the Company/ its subsidiary seeing such information and are available for inspection by any member of the Company/ its subsidiary at the registered office of the Company. The annual accounts of the said subsidiary will also be made available for inspection at the head office/ registered office of the subsidiary Company.

5. JOINT VENTURE

As at 31st March, 2014, the Company has one Joint Venture Company (hereinafter called as "JVC") by the name of "HMSU Rollers (India) Private Limited". The plant of the JVC is located in Taluka: Bavla, Ahmedabad, Gujarat. Your Company holds 20% stake in the JVC.

6. 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.

7. INSURANCE:

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

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

The information to be disclosed as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given as Annexure 'A' to this report.

9. PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration in excess of limits prescribed by Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended by notification no. 179 dated 31st March, 2011.

10. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As per Clause 49 of the Listing Agreement entered into with the Stock Exchange, corporate Governance Report and Management Discussion and Analysis Report are attached and form part of this report.

11. DIRECTORS:

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange, appointed Mr. Chinubhai Shah, Mr. Shailesh Desai, Dr. Navin Patel, Mr. Rajendra Shah, Mr. Jainand Vyas and Mr. Nipam Shah as Independent Directors of the Company.

As per Section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 01, 2014, every listed public Company is required to have atleast one-third of the total number of directors as Independent Directors. In accordance with the provisions of Section 149 of the Act, these directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Mr. Vitthaladas Patel, Director, retires by rotation and being eligible have offered himself for re-appointment.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Monica Kanuga was appointed as an Additional Director w.e.f. 26th July, 2014 and she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mrs. Monica Kanuga for appointment as a Director.

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.

The Whole Time Directors, Mr. Roshan Shah and Mr. Gajanan Bhavsar, hold office on non rotational basis. However, on account of all the Independent Directors becoming non rotational by operation of law, it would become imperative to make the offices of the Whole Time Directors liable to retire by rotation to ensure the compliance of the prescribed number of rotational directors. In pursuance to the same, it is proposed to change the term of appointment of the said Whole Time Directors to the extent of making them liable to retire by rotation.

13. AUDITORS:

The Auditors Report forming part of this Annual Report does not contain any qualification and is self explanatory.

M/s. Deloitte Haskins & Sells (DHS), (ICAI firm Registration Number 117365W), Chartered Accountants (CAs), Ahmedabad, who were the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint DHS as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the Twenty Fifth AGM to be held in the year 2018, subject to ratification of their appointment at every AGM.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Directors hereby state and confirm that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 2013-2014 and the profit of the Company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Annual Accounts have been prepared on a 'going concern basis'.

15. COST RECORDS AND COST AUDITORS:

In terms of requirement of the Companies (Cost Accounting Records) Rules, 2011, your Company is maintaining prescribed cost records and the Compliance Report along with the prescribed annexure thereon will be filed with the Central Government within prescribed time. Further vide cost order dated: November 06, 2012 issued by Cost Audit Branch, Ministry of Corporate Affairs, the Company required to get its cost records audited from financial year 2013 onwards and therefore the Company has appointed M/s. Dalwadi and Associates, Cost Accountants (Firm Registration No. 000338) as its Cost Auditors to audit the cost records of the Company for the financial year 2014.

16. 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 Behalf of the Board

Ambar Patel - Managing Director
Roshan Shah - Whole Time Director
G V Bhavsar - Whole Time Director

Place : Rakanpur
Date : 26.07.2014

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 for the year ended on 31st March 2014.

A. CONSERVATION OF ENERGY:

1) Energy conservation measures taken:

- i) On account of energy audit carried out by recognized agency in the previous years and due to efforts of internal staff, Company has been benefited in the cost of consumption of Electricity units in 2013-14 as against 2012-13.
- ii) As the Company maintains the average monthly power factor at 0.99, we can utilize the maximum power load as demanded.

2) Additional investments and proposals, if any which are being implemented for reduction of conservation of energy:

- i) Proper maintenance of machine motors is being carried out to increase productivity.
- ii) The Company is in the process of reducing the harmonics level and improving the power quality in terms of energy saving. So analysis is going for self-tuned filter in the electrical system.
- iii) Energy monitoring system for further analysis of energy consumption in the plant has been installed.

3) Impact of measures at 1 & 2 and consequent impact on the cost of production of goods:

- i) The measures resulted in reduction in consumption of energy and subsequently reduced cost of production of goods.
- ii) Since the power has been maintained power factor at 0.99, the Company is eligible for maximum rebate from the State Power Supply Company.

During the year, management and employees have made their best efforts in reducing the conservation of energy.

B. RESEARCH & DEVELOPMENT (R&D):

During the year, no new 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 Behalf of the Board

Place : Rakanpur
Date : 26.07.2014

Ambar Patel - Managing Director
Roshan Shah - Whole Time Director
G V Bhavsar - Whole Time Director

ECONOMY OVERVIEW:

Indian Manufacturing Sector has shown the Marginal decline in terms of Growth figures in the past 5 quarters. The GDP has been lower from 6.2% to 5%.

The overall consumer Flexible Packaging market is also affected by the slowdown in the manufacturing sector and has been growing at a slower rate than what was experienced in the past.

However, there are certain Major growth drivers in flexible packaging industry which makes it a better growth industry than the other sectors:

1. There is a clear favorable shift in demographics with the rising disposable income in the hands young generation
2. Growth in the demand for consumer goods.
3. Food processing industry has been growing at a rapid pace with large companies taking up the major share in packaged food.
4. With FDI there is a optimism on the retail push.
5. Growth in rural demand

OPPORTUNITY:

The growth rates are expected in the region of 12-15% in the packaging sector due to the following reasons:

1. There are new Food Safety and Standards regulations which will trigger growth in the quality and quantity of packaging
2. International retailers are seriously considering establishing bases in India with FDI being allowed in multi brand retail as well.

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. Food inflation of 6.89% is another worrisome factor which may put the conversion to packaged food on a slower growth than what is anticipated as the consumer spending is under pressure.
3. Inadequate infrastructure - especially power – leading to increased use of captive power resulting in increased cost of manufacturing.
4. Our customers - FMCG producers – shifting suppliers purely on price considerations and this trend can intensity further.
5. The shortage of trained manpower and rising costs will adversely affect the industry

OUR RESPONSE:

Your Company continues to make ONLY need based investments in the capacities to exploit the opportunities and mitigate risks.

There is a strict vigil followed on the financial discipline to manage the working capital management.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Gravure Industry has been continuously growing and showing an upward trend since the company began its operations in 1995. Today your Company serves various segments of gravure industry such as flexible packaging, PVC flooring, artificial leather, specialty coating, etc. Your Company has state of the art latest technologies and facilities to keep pace with the emerging trends in the market.

The laser technology has capability to cater to specialty applications like embossing which will be import substitute to many industries. We have developed designs for embossing in glass, paperboard, leather, etc. The designs have been commercially accepted and market response for the same has been overwhelming.

The hike in the price of Steel during the year has resulted into decrease in margin of your Company.

The exchange rate, diesel and petrol price, energy costs are also showing increasing trend, increased competition and under the circumstances it is difficult to pass on the incremental costs to the customers which puts margins into pressure

RISK MANAGEMENT REVIEW:

Political uncertainties continue and reforms that give a thrust to business as it exists are yet to be seen. Some major risks are as follows:

- Competitive pressures affecting top and bottom-line
- Weak currency
- Volatility in price of Raw Materials, fuel cost and transport cost
- Supply of uninterrupted power
- Attrition of personnel

The Board undertakes a periodic review of risks.

OUTLOOK:

Your Company, keeping pace with overall gravure market has grown significantly. The Management expects to continue this trend in the years to come, subject to favorable market conditions, and stable economic policies.

INTERNAL CONTROLS:

Your Company's Internal Control System is supplemented by extensive audit by an independent firm of Chartered Accountants as Internal Auditors, who discusses Internal Control System with Audit Committee. The Audit Committee thoroughly reviews the Internal Audit function and makes recommendations on scope of Internal Audit. Internal Audit reports are reviewed and observations are discussed. Corrective measures are taken wherever necessary. The Audit Committee also meets up with Statutory Auditors to discuss and have an overview on the operations of the Company.

CAUTIONARY STATEMENT:

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results could differ 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 and such other factors.

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 letter and in spirit, in addition to the statutory compliances as required under clause 49 of Listing Agreement with the Stock Exchange.

2. BOARD OF DIRECTORS:

- i) Shilp Gravures Limited has an optimum combination of executive and non-executive directors on its Board. As on 31st March, 2014, the Company's Board of Directors comprised of 10 (Ten) Directors, with a Managing Director, 2 (Two) Whole-time Directors, 2 (Two) Non - Executive Directors (including one Professional Director) and 5 (Five) Independent Directors. The Chairman of the Company is a Non-Executive Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange. None of the Non – Executive Directors are responsible for the day to day affairs of the Company.
- ii) 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. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2014, have been made by the Directors.
- iii) 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, 2014, are given hereinbelow. 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 and Shareholders'/ Investors' Grievance Committees.

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 31st March, 2014 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	5/5	Yes	Nil	Nil	Nil
Mr. Roshan Shah	WTD	5/5	Yes	Nil	Nil	Nil
Mr. G. V. Bhavsar	WTD	5/5	Yes	Nil	Nil	Nil
Mr. Vithaldas Patel	NED	1/5	No	Nil	Nil	Nil
Mr. Nipam R. Shah	NED (P)	3/5	Yes	Nil	Nil	Nil
Mr. Shailesh Desai	NED (I)	5/5	Yes	Nil	Nil	Nil
Mr. Chinubhai Shah	NED (I)	5/5	Yes	09	03	04
Mr. Rajendra Shah	NED (I)	1/5	Yes	05	02	05
Dr. Navin Patel	NED (I)	4/5	Yes	Nil	Nil	Nil
Mr. Jainand Vyas	NED (I)	5/5	Yes	Nil	Nil	Nil

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

- iv) During the year under review, 5 (Five) Board Meetings were held on 04th April, 2013, 04th May, 2013, 14th August, 2013, 26th October, 2013 and 24th January, 2014. The Company's last Annual General Meeting was held on 14th August, 2013. 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.

- v) During the year 2013-14, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

vi) Details of Directors being re-appointed:

According to Articles of Association, one third of the directors retire by rotation every year and if eligible, offer themselves for re-appointment at the Annual General Meeting. As per Article 126 of Articles of Association, Mr. Vitthaldas Patel and Mr. Roshan Shah will retire at the ensuing Annual General Meeting and have offered themselves for re-appointment. Detailed resume of the directors are provided in the Notice for the Annual General Meeting.

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 292A of the Companies Act, 1956 ("Act").
- ii) The terms of reference of the Audit Committee are broadly as under:
 - 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:
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 2. Changes, if any, in Accounting Policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by Management;
 4. Significant adjustments made in the financial statements arising out of Audit findings;
 5. Compliance with Listing and other Legal requirements relating to the financial statements;
 6. Disclosure of any related party transactions;
 7. 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.
- iii) 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.
- iv) The previous Annual General Meeting (AGM of the Company was held on 14th August, 2013 and was attended by Mr. Chinubhai R. Shah, Chairman of the Audit Committee.
- v) 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 2013-14	
		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

- vi) Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: 04th May, 2013; 14th August, 2013; 26th October, 2013 and 24th January, 2014.

The necessary quorum was present for all the meetings.

(B) Remuneration Committee:

- i) The Company has a Remuneration Committee of Directors.
- ii) The broad terms of reference of the Remuneration Committee are as under:
- 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 annually review and approve for Executive Directors as well as non – Executive Directors:
 - a) Monthly Basic Salary.
 - b) Annual Remuneration Payment including all types of perquisites.
 - c) Employment Agreements and Severance Arrangements and;
 - d) Any other Benefits, Compensation or Arrangements.
 - Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/ approve.
- iii) The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. Shailesh Desai(Chairman)	Independent, Non - Executive	1	1
Mr. Chinubhai Shah	Independent, Non - Executive	1	1
Dr. Navin Patel	Independent, Non - Executive	1	1

One meeting of the Remuneration Committee was held during the year on 04th April, 2013.

- 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.

The Company pays remuneration by way of salary, benefits & perquisites, allowances and annual pay / incentive payment to its Managing Director and the Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective 01st July every year. The Remuneration Committee decides on the Annual / Incentive payment to the Managing Director and the Executive Directors out of the profits for the Financial Year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and each Executive Director.

- vi) Details of Remuneration for the year ended March 31, 2014 are given below:

(i) Executive Directors:

	Name of Directors (₹ in lacs)		
	Mr. Ambar Patel [Managing Director]	Mr. Roshan Shah [Whole-Time Director [Marketing]]	Mr. G. V. Bhavsar [Whole-Time Director]
Salary	27.36	27.03	27.03
Perquisites & Allowances	10.06	9.96	9.96
Retirement Benefits	7.39	7.30	7.30
Total	44.81	44.29	44.29
No. of Shares	243910	287685	309410

- 1) Notice period for Executive Directors is 3 months.
- 2) The Company has not issued any stock options to the Directors.

(ii) Non Executive Directors:

During the year 2013-14, the Company 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 Shareholders’ and Investors’ Grievances Committee and Remuneration Committee of the Company.

The sitting Fees / remuneration paid to Non Executive Directors and their Shareholding in the Company is as follows:

Name of Director	Particulars		
	Sitting Fees Paid(₹ In Lacs)	Remuneration(₹ In Lacs)	No. of Shares
Mr. Vithaldas Patel	—	15.00	789902
Mr. Shailesh Desai	1.55	—	1000
Dr. Navin Patel	0.70	—	NIL
Mr. Chinubhai Shah	1.45	—	NIL
Mr. Rajendra Shah	0.15	—	NIL
Mr. Jainand Vyas	0.75	—	1000
Mr. Nipam R. Shah	0.45	9.03**	—

* Approval of members of the Company to pay remuneration of ₹ 15.00 Lacs p.a. to Non – Executive Director was obtained in the 19th AGM and subsequently, an approval to pay the same was obtained from Ministry of Corporate Affairs vide its letter dated 18th November, 2013.

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

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

(C) Shareholders’ / Investors’ Grievance Committee:

- The Company has a Shareholders’ and Investors’ Grievances 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.
- One meeting of the Shareholders’ and Investors’ Grievances Committee was held during the year on 04th May, 2013.
- The composition of the Shareholders’ and Investors’ Grievances Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		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.

- Name, designation and address of Compliance Officer:

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

- v) Details of Investors' complaints received and redressed during the year 2013-14 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

4. INFORMATION RELATING TO GENERAL BODY MEETINGS:

- i) General Meeting

- a. Annual General Meeting

Financial Year	Date	Time	Venue
2012-2013	14 th August, 2013	05.00 P.M.	778/6, Pramukh Industrial Estate, Vill: Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 721, Gujarat, India
2011-2012	04 th August, 2012		
2010-2011	06 th August, 2011		

- b. Extra Ordinary General Meeting

One Extra – Ordinary General Meeting of the members was held during the year 2013-14 on May 21, 2013.

- ii) Postal Ballot:

No Postal Ballot was conducted during the year 2013-14.

- iii) The following Special Resolutions were passed in last three Annual General Meetings:

Date of Meeting	Resolutions
14 th August, 2013	Nil
04 th August, 2012	<ul style="list-style-type: none"> - Appointment of Mr. Nipam R. Shah as Director of the Company. - 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. - Approval of Payment of Remuneration to Mr. Vitthaldas H. Patel, Non – Executive Director
06 th August, 2011	Nil

5. DISCLOSURES:

- i) Related Party Transactions have been disclosed in the Notes to Financial Statements. There were no materially significant related party transactions that may have conflict with the interest of the Company.
- ii) 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) The Company has fulfilled the following non – mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange:
- a) Company has set up a Remuneration Committee, details of which have been given earlier in this report.
 - b) The statutory financial statements of the Company are unqualified.
 - c) Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/ paid – up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

6. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company follows Accounting Standards issued by notified under the Companies (Accounting Standards) Rules, 2006 as amended, the relevant provisions of the Companies Act, 1956 and generally accepted accounting practices in India.

7. CEO/CFO CERTIFICATION:

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

CEO and CFO Certification

To the Board of Directors
Shilp Gravures Limited

We, Mr. Ambar J. Patel, Managing Director and Mr. Chandraprakash Devpura, Chief Financial Officer of the Company, hereby certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year 2013-2014 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For, Shilp Gravures Limited

Mr. Ambar J. Patel

Managing Director

Place : Rakanpur

Date : 01st May, 2014

For, Shilp Gravures Limited

Mr. Chandraprakash Devpura

Chief Financial Officer

Place : Rakanpur

Date : 01st May, 2014

8. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Company has complied with all the mandatory requirements as mandated under Clause 49 of Listing Agreement. A Certificate from the Statutory Auditors of the Company to this effect has been included in this Report

9. SUBSIDIARY COMPANY:

The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary Companies are periodically placed before the Board of Directors of the Company.

10. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results of the Company are published in leading newspapers in India which includes "Indian Express" in English and "Financial Express" in local language, i.e. Gujarati editions. The results are also displayed on the Company's website "www.shilpgravures.com"

The quarterly shareholding pattern, code of conduct for Board and Senior Management are also posted on the website "www.shilpgravures.com".

11. GENERAL SHAREHOLDER INFORMATION:

1. **Corporate Identification Number** : L27100GJ1993PLC020552
2. **Annual General Meeting** :

Date	: 03 rd Day of September, 2014
Time	: 05.00 p.m.
Venue	: 778/6, Pramukh Indl. Estate, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 721, Gujarat
3. **Financial Calendar** :

Year ending	: March 31
AGM in	: September
4. **Book Closure** : Wednesday, the 27th August, 2014 to Wednesday, the 03rd September, 2014 (Both days inclusive).

5. 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 26th August, 2014.
 - (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 26th August, 2014, in respect of shares held in Demat form.
- ii) Dividend warrants made payable on or after 03rd September, 2014 will be posted to members at their registered address.

6. Listing on Stock Exchanges:

The Company's shares are listed at Bombay Stock Exchange (BSE).

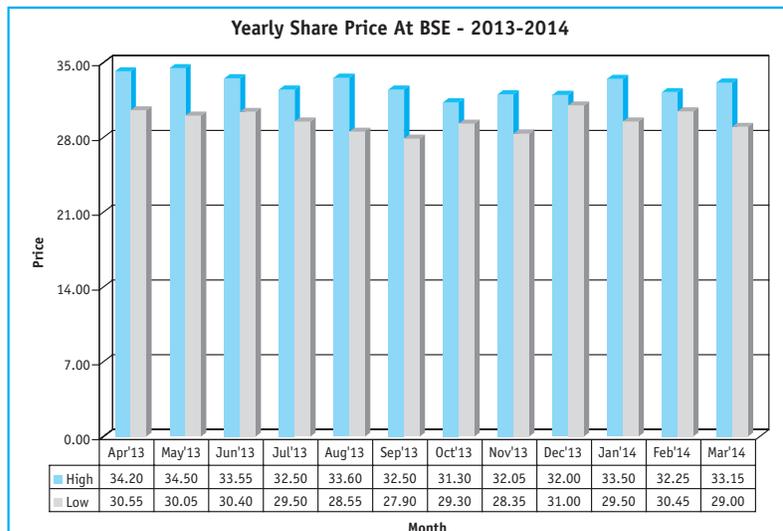
The Company has paid the Listing fee for the year 2014-2015 to the Stock Exchange.

7. Stock Code/ Symbol:

Stock Code : 513709
 Stock Symbol : SHILGRAVQ
 ISIN : INE960A01017

8. Stock Performance:

High, Low (based on daily closing prices) during each month in the year 2013-14 on Bombay Stock Exchange:



Monthly High- Low on BSE:

Month	High	Low
Apr-13	34.20	30.55
May-13	34.50	30.05
Jun-13	33.55	30.40
Jul-13	32.50	29.50
Aug-13	33.60	28.55
Sep-13	32.50	27.90
Oct-13	31.30	29.30
Nov-13	32.05	28.35
Dec-13	32.00	31.00
Jan-14	33.50	29.50
Feb-14	32.25	30.45
Mar-14	33.15	29.00

9. Registrar and Share Transfer Agent:

Name and Address : **M/s. Sharepro Services (India) Private Limited,**
 416 – 420, 4th 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

10. 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.

11. Shareholding as on March 31, 2014:

a) Distribution of equity shareholding as on March 31, 2014:

No of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	3938	88.28	541538	8.81
501 – 1000	203	4.55	167727	2.73
1001 – 2000	118	2.65	178393	2.90
2001 – 3000	62	1.39	156057	2.54
3001 – 4000	18	0.40	63286	1.03
4001 – 5000	16	0.36	75231	1.22
5001 – 10000	46	1.03	331793	5.40
10001 - 20000	24	0.54	334734	5.44
20001 and Above	36	0.80	4301041	69.93
Total	4461	100.00	6149800	100.00

b) Categories of equity shareholders as on March 31, 2014:

Category	No. of Shares	(%)
Indian Promoters	1894858	30.81
Foreign Promoters	1756478	28.56
Financial Institutions/Banks	0	0
Body Corporate	106402	1.73
Indian Public	2022919	32.90
NRI	292783	4.76
Independent Directors and Relatives	74377	1.21
Shares in Transit	1358	0.02
Others	625	0.01
Grand Total	6149800	100.00

c) Distribution of physical & dematerialized shares on 31st March, 2014:

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	560410	9.11	1813	5589390	90.89	2648

12. Plant Location:

The Company's plant is located at:

Factory & Registered Office:

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

The factory and the registered office of the Company's subsidiary company – Re Shilp Equipments (India) Private Limited is 3 - 4, Raghuvir Industrial Estate, Nr. Kothari Cross Road, Village: Santej, Tal. Kalol, Dist. Gandhinagar – 382 721, Gujarat, India

13. Address of Correspondence:

Shilp Gravures Limited

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

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

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, 2014, 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 means the Chief Financial Officer, Employees heading various departments and Company Secretary as on March 31, 2014.

Place : Rakanpur
Date : 26th July, 2014

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 31st March, 2014 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 the 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)

AHMEDABAD, 26th July, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHILP GRAVURES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SHILP GRAVURES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and 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 Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, 1st May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (xiii) and (xiv) of CARO are not applicable.
- (ii) 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 program 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.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) 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.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) 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.
- (vi) According to the informations and explanations given to us, the Company has not entered into any contracts or arrangements which are required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. The Company has no unclaimed deposits at the end of the year. Consequently, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable.
- (viii) In our opinion, the internal audit functions carried out during the year by firm a of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on 31st March , 2014 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2011-12	₹28.44 lacs

- (xi) There are no accumulated losses of the Company as at 31st March, 2014 and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii) 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.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) 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 and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xv) 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.
- (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xix) The Company has not raised any money by way of public issue during the year.
- (xx) 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, 1st May, 2014

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2014	AS AT 31st MARCH, 2013
A EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share capital	3	614.98	614.98
(b) Reserves and surplus	4	3,553.92	3,217.32
		4,168.90	3,832.30
2 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	923.98	765.39
(b) Deferred tax liabilities (net)	28	565.95	519.27
(c) Long-term provisions	6	93.57	99.74
		1,583.50	1,384.40
3 CURRENT LIABILITIES			
(a) Short-term borrowings	7	653.56	748.87
(b) Trade payables	8	443.73	490.00
(c) Other current liabilities	9	407.11	321.86
(d) Short-term provisions	10	95.06	115.58
		1,599.46	1,676.31
TOTAL		7,351.86	6,893.01
B ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed assets	11		
(i) Tangible assets		4,898.73	4,063.27
(ii) Intangible assets		7.41	97.52
(iii) Capital work-in-progress		32.28	12.41
(b) Non-current investments	12	278.97	129.19
(c) Long-term loans and advances	13	154.59	655.28
(d) Other non-current assets	14	-	1.74
		5,371.98	4,959.41
2 CURRENT ASSETS			
(a) Current investments	15	1.75	1.75
(b) Inventories	16	447.08	427.40
(c) Trade receivables	17	1,248.51	1,241.83
(d) Cash and cash equivalents	18	102.11	105.69
(e) Short-term loans and advances	19	180.43	156.93
		1,979.88	1,933.60
TOTAL		7,351.86	6,893.01
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 : 1st May, 2014

For and on behalf of the Board of Directors of

Shilp Gravures Limited
Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Roshan H. Shah

Executive Director

Chandraprakash Devpura

Chief Financial Officer

Pragnesh Darji

Company Secretary

Place : Rakanpur

 Date : 1st May, 2014

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

PARTICULARS	NOTE NO.	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
1 Revenue from Operations (Gross)	20	5,823.78	5,880.36
Less: Excise Duty		433.85	436.36
Revenue from Operations (Net)		5,389.93	5,444.00
2 Other Income	21	49.00	39.97
3 TOTAL REVENUE (1+2)		5,438.93	5,483.97
4 EXPENSES			
(a) Cost of raw materials consumed	22	1,453.88	1,597.04
(b) Purchases of stock-in-trade		3.42	11.67
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	11.79	1.49
(d) Employee benefits expense	24	1,245.82	1,059.34
(e) Finance costs	25	224.70	186.84
(f) Depreciation and amortisation expense	11	646.31	622.12
(g) Other expenses	26	1,219.00	1,243.10
TOTAL EXPENSES		4,804.92	4,721.60
5 Profit before Tax (3-4)		634.01	762.37
6 Tax Expenses			
(a) Current tax		146.70	199.76
(b) Short provision for tax relating to prior years		17.69	(19.47)
(c) Net current tax		164.39	180.29
(d) Deferred tax		46.68	32.95
		211.07	213.24
7 Profit for the year (5-6)		422.94	549.13
8 Earnings per Share (of ₹ 10 each)			
Basic and Diluted	27	6.88	8.93
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 : 1st May, 2014

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

Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Roshan H. Shah

Executive Director

Chandraprakash Devpura

Chief Financial Officer

Pragnesh Darji

Company Secretary

Place: Rakanpur

Date : 1st May, 2014

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

Particulars	YEAR ENDED 31st March, 2014	YEAR ENDED 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	634.01	762.37
Adjustments for :		
Depreciation and amortisation	646.31	622.12
Bad debts	20.00	34.78
Provision for Doubtful Trade Receivables	29.83	-
Financial Cost	224.70	186.84
Interest Income from Joint Venture	(17.18)	(8.18)
Dividend Income	(0.21)	(0.21)
(Profit)/Loss on Sale/Write off of Fixed Assets	0.19	1.32
Net unrealised exchange (gain)/loss	2.31	(0.17)
Discount on sales	40.13	31.80
Provision for Leave and Gratuity	(5.11)	27.55
Liabilities written back	-	(5.87)
	940.97	889.98
Operating profit/(loss) before working capital changes	1,574.98	1,652.35
<u>Changes in Working Capital:</u>		
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(46.47)	(10.21)
Long-term Provisions	(1.06)	(3.96)
Short-term Provisions	(106.86)	(103.25)
Other Current Liabilities	191.69	82.85
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	(97.82)	112.28
Inventories	(19.68)	(9.05)
Long-term Loans and Advances (excluding capital advances)	(29.33)	12.44
Short-term Loans and Advances	(23.50)	(32.96)
Other Non-Current Assets	1.74	-
	(131.29)	48.14
Cash Generated from Operations	1,443.69	1,700.49
Net income tax paid	(148.09)	(198.20)
Net Cash flow from Operating Activities (A)	1,295.60	1,502.29
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets (including capital advances)	(955.32)	(1,012.94)
Proceeds from Sale of Fixed Assets	17.31	14.00
Bank balances not considered as Cash and cash equivalents		
- Placed	-	(2.92)
- Matured	5.32	-
Investments in Joint venture	(149.78)	(46.41)
Loans given to Joint venture	(128.00)	(140.00)
Loans repaid by Joint Venture	168.00	-
Interest received from Joint ventures	17.18	8.18
Dividend from current investment	0.21	0.21
Net Cash Flow used in Investing Activities (B)	(1,025.08)	(1,179.88)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd...)

(₹ in Lacs)

Particulars	YEAR ENDED 31st March, 2014	YEAR ENDED 31st March, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	675.86	412.37
Repayment of Long Term Borrowings	(517.27)	(216.18)
Net increase / (decrease) in working capital borrowings	(95.31)	(239.31)
Repayment of Other Short Term Borrowings	-	(2.70)
Financial Cost	(224.70)	(186.84)
Dividend Paid	(92.25)	(92.25)
Tax on Dividend	(15.68)	(14.96)
Net Cash Flow used in Financing Activities (C)	(269.35)	(339.87)
Net decrease in Cash & Cash Equivalents (A+B+C)	1.17	(17.46)
Cash and Cash Equivalents at the beginning of the year	100.37	117.83
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.57)	0.00
Cash and Cash Equivalents at the end of the year	102.11	100.37
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 18)	102.11	105.69
Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	5.32
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18	102.11	100.37

Note :

Cash and cash equivalents includes ₹ 15.65 Lacs (P.Y. ₹ 15.34 Lacs) in earmarked account balances with banks 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 : 1st May, 2014

For and on behalf of the Board of Directors of

Shilp Gravures Limited

Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Roshan H. Shah

Executive Director

Chandraprakash Devpura

Chief Financial Officer

Pragnesh Darji

Company Secretary

Place: Rakanpur

Date : 1st May, 2014

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 have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular dated 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

2.3 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."

2.4 Intangible Assets

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

2.5 Depreciation / Amortization

All tangible fixed assets, except freehold land, leasehold land and capital work in progress, are depreciated on a straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies' Act, 1956.

Softwares are amortized over five years.

Purchased goodwill is amortized over a period of five years from the year in which it is acquired.

2.6 Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's each class of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an 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, except in case of revalued assets".

2.7 Investments

Current investments are carried at the lower of cost or market value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

2.8 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. However, material and other items held for use in the production are not written down below cost, if the finished products in which it will be incorporated are expected to be sold above cost. 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 except for MS Pipes, MS Plates and Round Bars for which the cost of inventories are determined on "Weighted Average" basis.

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

2.9 Revenue Recognition

Revenue from sale of goods is recognized on dispatch of goods to the customers when significant risk and rewards related to ownership of the goods is transferred to the buyer and no significant uncertainty exists regarding its measurability or collectability.

Revenue from sale of services is recognized once the services are rendered on the basis of completed service contract method and when there is no significant uncertainty regarding its measurability or collectability.

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.

2.10 Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the date of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at the year end rates. Non – monetary items are carried at historical costs.

Exchange difference arising on settlement of foreign currency transactions or restatement of foreign currency denominated monetary assets and liabilities are recognized in the Statement of Profit and Loss.

2.11 Employee Benefits

Defined Contribution Plans:

The Company's contribution paid / payable for the year to provident fund, superannuation fund and ESIC are recognized in the Statement of profit and loss.

Defined Benefit Plan:

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

All other short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.

2.12 Segment Reporting Policy

The Company 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.

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.

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".

2.13 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

2.14 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.

2.15 Provision for Tax

Tax expenses for a year comprise of current tax and deferred tax.

Provision for current tax is determined based on assessable profits of the Company as determined under the Income Tax Act, 1961.

Provision for deferred tax is determined based on the effect of timing difference between the assessable profits under the Income Tax Act and the profits as per the Statement of Profit and Loss. Deferred tax assets, other than those from carry forward losses and unabsorbed depreciation, are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic benefits will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in the control of the Company, are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in the Notes to Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

3 SHARE CAPITAL

PARTICULARS	AS AT 31st MARCH, 2014		AS AT 31st MARCH, 2013	
	(NUMBER)	(₹ in Lacs)	(NUMBER)	(₹ in Lacs)
Authorised: Equity Shares of ₹10 each with voting rights	6,500,000	650.00	6,500,000	650.00
Issued, Subscribed and Paid-up: Equity Shares of ₹ 10 each fully paid up with voting rights	6,149,800	614.98	6,149,800	614.98
Total	6,149,800	614.98	6,149,800	614.98

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

PARTICULARS	AS AT 31st MARCH, 2014		AS AT 31st MARCH, 2013	
	(NUMBER)	(₹ in Lacs)	(NUMBER)	(₹ in Lacs)
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 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.20 (31st March 2013 : ₹ 1.50)

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

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

NAME OF SHAREHOLDER	AS AT 31st MARCH, 2014		AS AT 31st MARCH, 2013	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vitthaladas H. Patel	765,756	12.45%	782,356	12.72%
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%
Hiraben V. Patel	584,314	9.50%	607,714	9.88%

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

4 RESERVES AND SURPLUS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
a. Capital Reserves		
State Capital Investment Subsidy	15.00	15.00
	15.00	15.00
b. General Reserve		
Opening Balance	1,234.76	934.76
Add : Transfer from the surplus in Statement of Profit & Loss	25.00	300.00
Closing Balance	1,259.76	1,234.76
c. Surplus in Statement of Profit & Loss		
Opening Balance	1,967.56	1,826.36
Add : Net Profit For the current year	422.94	549.13
Less: Appropriation		
Proposed Dividend (Amount per share ₹ 1.20 (P.Y. ₹ 1.50))	73.80	92.25
Tax on Proposed Dividend	12.54	15.68
Transfer to General Reserves	25.00	300.00
Net surplus in the statement of profit and loss	2,279.16	1,967.56
Total	3,553.92	3,217.32

5. LONG TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Secured		
Term loans		
From Banks (Refer note (i) to (vi) below)	778.25	591.83
From Financial Institutions (Refer note (vii) below)	-	1.03
	778.25	592.86
Unsecured		
Term loans		
From Financial Institutions (Refer note (viii) below)	145.73	172.53
	145.73	172.53
Total	923.98	765.39

Secured

- (i) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 281.76 Lacs (P.Y. ₹ 380.34 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 the three new 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 ₹ Nil (P.Y. ₹ 133.41 Lacs), out of which ₹ Nil (P.Y. ₹ 29.68 Lacs) is classified as current maturity. The loan was secured by exclusive charge over the new Imported Machineries acquired out of the said loan. Further, the loan was guaranteed by the personal guarantee of some of the promoter directors.
- (iii) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 492.96 Lacs (P.Y. ₹ Nil), out of which ₹ 105.14 Lacs (P.Y. ₹ Nil) 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

5. LONG TERM BORROWINGS (Contd...)

- (iv) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 260.95 Lacs (P.Y. ₹ 263.96 Lacs), out of which ₹ 60.22 Lacs (P.Y. ₹ 52.79 Lacs) is classified as current maturity. The new 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 the new one windmill to be acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (v) Hire purchase finances from The Ahmedabad Mercantile Co-operative Bank Limited for Car amounting to ₹ 3.84 Lacs (P.Y. ₹ Nil), out of which ₹1.02 Lacs (P.Y. ₹ Nil) is classified as current maturity, is secured by hypothecation of the Car.
- (vi) Hire purchase finances from The Ahmedabad Mercantile Co-operative Bank Limited for Car amounting to ₹ 11.64 Lacs (P.Y. ₹ Nil), out of which ₹ 3.12 Lacs (P.Y. ₹ Nil) is classified as current maturity, is secured by hypothecation of the Car.
- (vii) Hire purchase finances for Car amounting to ₹ 1.03 Lacs (P.Y. ₹ 5.02 Lacs), out of which ₹ 1.03 Lacs (P.Y. ₹ 3.98 Lacs) is classified as current maturity, is secured by hypothecation of the Car.

Unsecured

- (viii) Unsecured loan amounting to ₹ 145.73 Lacs (P.Y. ₹ 172.53 Lacs) taken from Life Insurance Corporation of India. The loan is availed against Keyman Insurance policies of the key personnels of the Company. The same to be paid on or before the maturity of the respective Keyman Insurance policies i.e. 24-05-2015 ₹ 25.65 Lacs, 04-06-2015 ₹ 26.80 Lacs, 28-07-2016 ₹ 18.76 Lacs, 10-05-2018 ₹ 18.95 Lacs, 04-06-2018 ₹ 18.95 Lacs, 15-07-2018 ₹ 18.31 Lacs, 24-08-2018 ₹ 18.31 Lacs

6 LONG TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Provision for employee benefits		
Gratuity (Funded) (Refer note 29)	73.23	79.72
Compensated Absences (unfunded)(Refer note 29)	20.34	20.02
Total	93.57	99.74

7. SHORT TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Secured		
Loans repayable on demand		
Cash Credit from Banks (Refer note (i) below)	653.56	748.87
Total	653.56	748.87

- (i) Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd. of ₹ 653.56 Lacs (P.Y. ₹ 748.87 Lacs). The same is secured by present and future book debts and inventories of the Company, personal guarantee of some of the promoter directors.

8 TRADE PAYABLES

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Trade payables other than Acceptances (Refer note 36)	443.73	490.00
Total	443.73	490.00

9. OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Current maturities of secured long-term debt (Refer Note (i) to (vii) of Note 5 above)	273.93	189.86
Interest accrued but not due on borrowings	2.37	5.46
Unpaid dividends*	15.65	15.34
Other payables		
Statutory and Other Liabilities	20.56	9.66
Payables for Purchase of Fixed Assets	37.35	47.53
Advances from Customers	57.25	54.01
Total	407.11	321.86

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

10 SHORT TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
a. Provision for employee benefits		
Compensated Absences (unfunded) (Refer Note 29)	8.72	7.66
b. Others		
Proposed Dividend	73.80	92.25
Tax on Proposed Dividend	12.54	15.67
Total	95.06	115.58

11 FIXED ASSETS

(₹ in Lacs)

(Figures in Brackets represent previous year numbers)

Fixed Assets	Gross Block				Accumulated Depreciation/Amortisation			Net Block		
	Balance as at 1st April 2013	Additions during the year	Disposals during the year	As at 31st March, 2014	Balance as at 1st April 2013	Depreciation/ Amortisation charge for the year	On disposals during the year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
a. Tangible Assets										
Freehold Land	142.98 (62.68)	- (80.30)	-	142.98 (142.98)	-	-	-	-	142.98 (142.98)	142.98 (62.68)
Buildings	867.12 (748.17)	50.10 (118.96)	-	917.22 (867.12)	151.14 (128.83)	26.71 (22.31)	-	177.85 (151.14)	739.37 (715.98)	715.98 (619.34)
Plant and Machineries	6,106.73 (5,735.84)	888.35 (370.89)	29.78	6,965.30 (6,106.73)	4,122.20 (3,749.00)	400.28 (373.20)	15.94	4,506.54 (4,122.20)	2,458.76 (1,984.53)	1,984.53 (1,986.84)
Windmills	1,003.74 (1,003.74)	377.44	-	1,381.18 (1,003.74)	175.15 (122.15)	70.47 (53.00)	-	245.62 (175.15)	1,135.56 (828.59)	828.59 (881.59)
Furniture and Fixtures	158.54 (144.33)	0.43 (14.21)	-	158.97 (158.54)	82.57 (73.51)	9.65 (9.06)	-	92.22 (82.57)	66.75 (75.97)	75.97 (70.82)
Vehicles	145.06 (180.33)	59.03	4.64 (35.28)	199.45 (145.06)	52.94 (57.54)	15.84 (15.36)	0.98 (19.96)	67.80 (52.94)	131.65 (92.12)	92.12 (122.80)
Office Equipments and Computers	499.60 (480.91)	33.82 (32.95)	-	533.42 (499.60)	360.42 (344.50)	26.32 (30.18)	-	386.74 (360.42)	146.68 (139.18)	139.18 (136.41)
Electrical Installations	144.65 (144.65)	-	-	144.65 (144.65)	60.74 (53.82)	6.92 (6.92)	-	67.66 (60.74)	76.99 (83.91)	83.91 (90.82)
Total	9,068.42 (8,500.65)	1,409.17 (617.31)	34.42 (49.54)	10,443.17 (9,068.42)	5,005.16 (4,529.35)	556.19 (510.03)	16.92 (34.22)	5,544.43 (5,005.16)	4,898.74 (4,063.26)	4,063.26 (3,971.30)
b. Intangible Assets										
Goodwill	560.44 (560.44)	-	-	560.44 (560.44)	462.92 (350.83)	90.11 (112.09)	-	553.03 (462.92)	7.41 (97.52)	97.52 (209.61)
Total	560.44 (560.44)	-	-	560.44 (560.44)	462.92 (350.83)	90.11 (112.09)	-	553.03 (462.92)	7.41 (97.52)	97.52 (209.61)
c. Capital Work In Progress									32.28 (12.41)	12.41 (74.25)
Total									32.28 (12.41)	12.41 (74.25)
Grand Total	9,628.86 (9,061.09)	1,409.17 (617.31)	34.42 (49.54)	11,003.61 (9,628.86)	5,468.08 (4,880.17)	646.30 (622.12)	16.92 (34.22)	6,097.46 (5,468.08)	4,938.43 (4,173.19)	4,173.19 (4,255.17)

- Building includes ₹ 100 towards one equity share fully paid up of Shree Kashi Parekh House Owner's Association
- Plant and Machinery includes softwares being an integral part of plant and machinery

12 NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Trade Investments - Unquoted (at Cost)		
Investment in Equity Shares of Subsidiary Company		
2,91,867(P.Y. 2,91,867) Equity Shares of ReShilp Equipments (India) Pvt Ltd at ₹ 10 each fully paid up	29.19	29.19
Investment in Equity Shares of Joint Venture Company		
24,97,800 (P.Y.10,00,000) Equity Shares of HMSU Rollers (India) Pvt Ltd. at ₹ 10 each fully paid up	249.78	100.00
Total	278.97	129.19

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

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

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Advances for Capital Goods	3.64	477.36
Security Deposits	50.95	37.92
Loans to related party - HMSU Rollers (India) Pvt. Ltd. (Refer note 33)	100.00	140.00
Total	154.59	655.28

14 OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Bank Deposits more than 12 months maturity period*	-	1.74
TOTAL	-	1.74

* Bank deposit amounting to ₹ Nil (P.Y. ₹ 1.74 Lacs) is under lien against purchase of guest house in mumbai.

15 CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Investment in Equity instruments - Unquoted (at Cost)		
3,500(P.Y.3,500) Equity Shares of The Ahmedabad Mercantile Co-operative Bank Ltd.at ₹50 each fully paid up	1.75	1.75
Total	1.75	1.75

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

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Raw Materials and components	259.18	237.40
Raw Materials and components - Goods-in transit	0.48	-
Work-in-progress	120.55	127.88
Finished goods	6.45	7.42
Stock-in-trade	0.84	4.44
Stores and spares	56.52	46.63
Stores and spares - Goods-in transit	0.91	0.97
Packing Materials	2.15	2.66
Total	447.08	427.40

17 TRADE RECEIVABLES

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	46.34	85.55
Doubtful	29.83	-
	76.17	85.55
Less: Provision for Doubtful Trade Receivables	29.83	-
	46.34	85.55
Other Trade Receivables		
Unsecured, considered good	1,202.17	1,156.28
	1,202.17	1,156.28
Total	1,248.51	1,241.83

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

TRADE RECEIVABLES (Contd...)

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Trade Receivable stated above include debts due from:		
Private Company in which Director of the Company is a Director HMSU Rollers (India) Pvt. Ltd.	-	19.35
	-	19.35

18 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
a. Cash on hand	4.98	11.99
b. Cheques, drafts on hand	23.80	1.74
c. Balances with banks		
(i) In Current Accounts	57.68	71.30
(ii) In Earmarked Accounts - Unpaid dividend accounts	15.65	15.34
	102.11	100.37
d. Others Bank Deposits with more than 3 months, but below 12 months maturity	-	5.32
Total	102.11	105.69

19 SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Unsecured, considered good		
Advance to Suppliers	5.19	47.26
Advance Income Tax (Net of Tax Provisions of ₹ 349.07 Lacs (P.Y. ₹ 534.59 Lacs))	35.97	53.77
Deposits		
To Related Parties	-	0.57
To Others	3.00	3.01
Prepaid Expenses	30.62	15.91
Balances with Government Authorities	9.56	6.08
Others		
To Related Parties	0.04	1.09
To Others	96.05	29.24
Total	180.43	156.93
Deposits and advances to others includes :		
Firm in which director is a partner Hira Corporation	-	0.23
Private Company in which director is a director Stylus Infrastructure Pvt. Ltd.	-	0.34
HMSU Rollers (India) Pvt. Ltd.	0.04	1.09

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

20 REVENUE FROM OPERATIONS

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Sale of products	4,047.66	3,951.85
Less : Excise Duty	433.85	436.36
	3,613.81	3,515.49
Sale of services	1,931.33	2,080.39
Less : Service Tax	213.22	229.70
	1,718.11	1,850.69
Trading Sales	15.35	23.90
Other Operating Revenue		
- Scrap Sales	82.79	85.72
Less: Discount on sales	40.13	31.80
Total	5,389.93	5,444.00
Sales of products and services comprises of:		
Manufactured Goods		
- Engraved Copper Rollers	3,375.75	3,260.40
- Printing Plates	234.30	188.89
- Others	3.76	66.20
	3,613.81	3,515.49
Sale of services		
- Job work sales	1,718.11	1,850.69
	1,718.11	1,850.69
Traded Goods		
- Doctor Blade	6.80	13.54
- Adhesive Chemical	8.12	8.58
- Others	0.43	1.78
	15.35	23.90

21 OTHER INCOME

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Interest Income	21.10	10.07
Dividend Income	0.21	0.21
Recovery of Bad debts written off in earlier years	1.46	3.25
Rent Income	0.98	0.90
Business Support Service	23.04	18.28
Liabilities no longer required written back	-	5.87
Miscellaneous Income	2.21	1.39
Total	49.00	39.97

22 COST OF RAW MATERIAL CONSUMED

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Inventory at the beginning of the year	237.40	223.93
Add : Purchases during the year	1,476.15	1,610.51
	1,713.55	1,834.44
Less : Inventory at the end of the year	259.67	237.40
Raw Material Consumed during the year	1,453.88	1,597.04

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

COST OF RAW MATERIAL CONSUMED (Contd...)

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Raw Materials Consumed comprises of:		
M.S. Roller	49.18	76.86
M.S. Pipe, Plates and bars	688.00	752.09
Copper	498.13	499.07
Others	218.57	269.02
	1,453.88	1,597.04

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

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
INVENTORIES AT THE BEGINNING OF THE YEAR		
Finished Goods of Engraved Rollers	6.60	5.40
Work-in-progress of Engraved Rollers	127.88	112.65
Stock-in-trade	4.44	22.36
	138.92	140.41
INVENTORIES AT THE END OF THE YEAR		
Finished Goods of Engraved Rollers	5.74	6.60
Work-in-progress of Engraved Rollers	120.55	127.88
Stock-in-trade	0.84	4.44
	127.13	138.92
CHANGE IN INVENTORIES	11.79	1.49

24 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Salaries, Wages and bonus	1,098.88	890.41
Contributions to Provident and other funds	51.99	71.31
Staff welfare expenses	94.95	97.62
Total	1,245.82	1,059.34

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

25 FINANCE COSTS

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Interest expense		
On term loans	132.04	86.34
On working capital loans	87.89	94.49
Others	1.36	2.50
	221.29	183.33
Other borrowing costs	3.41	3.51
Total	224.70	186.84

26 OTHER EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Stores, Spares & Consumables	366.27	369.71
Packing Materials Consumed	75.42	69.00
Increase/(decrease) of excise duty on inventory	0.11	(0.26)
Power, Fuel & Electricity (Net of energy income from windmill ₹ 214.70 Lacs (P.Y. ₹ 187.15 Lacs))	93.77	95.52
Repairs and Maintenance		
Plant & Machinery	65.32	61.71
Building	29.17	50.19
Others	40.33	33.80
Factory Expenses	40.19	30.66
Rent	10.75	14.95
Rates & Taxes	0.75	0.60
Legal and Professional Charges	14.12	24.01
Consultancy Charges	45.90	45.69
Conveyance and Travelling	109.38	91.84
Communication Expenses	17.69	19.50
Stationary, Printing and subscription	11.78	13.61
Insurance Premium	42.36	45.89
Auditors' Remuneration (Refer note below)	8.50	10.95
Computer Expenses	13.05	9.13
Bad debts	20.00	34.78
Provision for Doubtful Trade Receivables	29.83	-
Donation	13.33	6.33
Clearing & Forwarding	61.70	78.34
Sales Commission	36.09	26.72
Advertisement and Business Promotion	32.34	63.12
Loss on foreign exchange rate fluctuation (net)	1.42	0.93
Loss on sale of fixed assets (net)	0.19	1.32
Miscellaneous Expenses	39.24	45.06
Total	1,219.00	1,243.10
Auditors' Remuneration comprises of:		
statutory audit fees	7.50	9.50
tax audit fees	0.75	1.35
certification fees	0.05	0.10
Reimbursement of expenses	0.20	-
Total	8.50	10.95

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

27 EARNING PER SHARE (EPS)

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Basic and Diluted		
Profit attributable to equity share holders (₹ in Lacs)	422.94	549.13
Nominal Value of equity share (₹/Share)	10	10
Weighted average number of ordinary equity share for Basic EPS	6,149,800	6,149,800
Basic and Diluted EPS (₹/Share)	6.88	8.93

28 DEFERRED TAX LIABILITY

The deferred tax liability/asset comprises of tax effect of timing differences on account of: (₹ in Lacs)

PARTICULARS	AS AT 31st MARCH, 2014	AS AT 31st MARCH, 2013
Deferred Tax Liability		
Difference between book and tax depreciation	566.41	521.03
	566.41	521.03
Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	(0.45)	(1.76)
	(0.45)	(1.76)
Deferred Tax Liability (net)	565.96	519.27

29 EMPLOYEE BENEFITS

The present value of gratuity and leave encashment obligations is determined based on actuarial valuation by an independent expert, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Current service cost	12.59	11.82	4.18	3.43
Interest Cost	12.98	10.78	1.91	1.61
Expected return on plan assets	(8.21)	(6.75)	-	-
Net actuarial losses (gains)	(9.39)	15.01	2.87	7.32
Total	7.97	30.86	8.96	12.36

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Defined benefit obligation at beginning of the year	163.14	128.52	27.68	22.47
Service cost	12.59	11.82	4.18	3.43
Interest cost	12.98	10.78	1.91	1.61
Actuarial losses (gains)	(9.39)	15.39	2.87	7.32
Benefits paid	(1.77)	(3.37)	(7.58)	(7.15)
Defined benefit obligation at end of the year	177.55	163.14	29.06	27.68

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Fair value of plan assets at beginning of the year	83.43	71.15	-	-
Expected return on plan assets	8.21	6.75	-	-
Actuarial gains and (losses)	-	0.38	-	-
Contributions by employer	14.45	7.92	-	-
Benefits paid	(1.77)	(3.37)	-	-
Adjustment to fund	-	0.60	-	-
Fair value of plan assets at year end	104.33	83.43	-	-

IV. Investment details:

Particulars	% invested as at 31st MARCH, 2014	% invested as at 31st MARCH, 2013
Insurance Company	100%	100%

V. Actuarial Assumptions: (₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	9.10%	8.00%	9.10%	8.00%
Expected Return on plan assets (per annum)	9.15%	9.15%	-	-
Rate of escalation in salary (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	2008-09	2009-10	2010-11	2011-12	2012-13
Present value of defined benefit obligations at the end of the year (Independent actuary)	80.01	97.79	111.67	128.52	163.14
Fair value of plan assets at the end of the year	32.62	45.11	52.65	71.15	83.43
Net assets / (Liability) at the end of the year	47.39	52.68	59.02	57.37	79.71

2. Defined Contribution Plans.

Contribution of Defined Contribution Plan, recognized as expense for the year are as under: (₹ in Lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Employer's Contribution to Provident Fund	37.24	34.47
Employers' Contribution to Superannuation Fund	6.24	6.07

30 LEASES

The Company has taken vehicles on hire purchase financing and hire purchase installments amounting to ₹ 0.62 Lacs (P.Y. ₹ 0.42 Lacs) have been charged to the Statement of Profit and Loss. The future minimum hire purchase installments are as under:

(₹ in Lacs)

Particulars	As at 31st MARCH, 2014	As at 31st MARCH, 2013
Not later than 1 year	1.03	3.98
Later than 1 year but not later than 5 years.	-	1.03

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

LEASES (Contd...)

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 10.75 Lacs (P.Y. ₹ 14.95 Lacs) have been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

(₹ in Lacs)

Particulars	As at 31st MARCH, 2014	As at 31st MARCH, 2013
Not later than 1 year	9.06	4.01
Later than 1 year but not later than 5 years.	-	1.69

31 CAPITAL AND OTHER COMMITMENTS

(₹ in Lacs)

Particulars	As at 31st MARCH, 2014	As at 31st MARCH, 2013
Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance)	8.50	71.56
Estimated amount of investment to be made in joint venture	50.00	60.00

32 CONTINGENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st MARCH, 2014	As at 31st MARCH, 2013
Disputed demand of Income tax against which the Company has preferred appeal	28.44	73.19
Corporate Guarantee given*	1,190.00	-
Bills Discounted	-	51.36

*The Company has provided Corporate Guarantee for an amount of ₹ 1190.00 Lacs in favour of Axis Bank Limited for the Term Loan provided to HMSU Rollers (India) Private Limited, a Joint Venture Company.

The Partners of Joint Venture Agreement have entered into an interse Memorandum of Understanding that though the Corporate Guarantee is being provided for 100% amount of Loan facilities availed by Joint Venture company, but in case of invocation of the guarantee by the lender, the risk will be borne by all partners in their share holding ratios only. Hence, the liability of the Company, if any, will be restricted to ₹ 238.00 Lacs (being 20% of total amount of Loan facilities).

33 RELATED PARTY DISCLOSURES

a) Related parties and their relationship

Name of the related party	Relationship
ReShilp Equipments (India) Pvt. Ltd.	Subsidiary Company
HMSU Rollers (India) Pvt. Ltd.	Joint Venture Company
Mr. Ambar J. Patel Mr. Roshan Shah Mr. G.V. Bhavsar	Key Management Personnel
Mr. Narendra Patil Mr. Atul Vinchhi Mr. Vitthaladas H. Patel	Individuals exercising significant influence over the enterprise
Shilp Ultra-tech Pvt Ltd. Stylus Infrastructure Pvt Ltd. Carol Enterprise Carol Hira Corporation	Entity controlled by Key Management Personnel
Mr. Deval A. Patel	Relative of Key Management Personnel
Mr. Siddharth N. Patil Mrs. Madhuri A. Vinchhi	Relative of Individuals exercising significant influence over the enterprise

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

b) Transactions with related parties

(₹ in Lacs)

(Figures in Brackets represent previous year numbers)

Nature of transactions	Subsidiary / Joint Ventures	Key Management Personnel and their relatives	Entities controlled by Key Management Personnel	Individuals exercising significant influence over the enterprise	Total
Investment in equity shares	149.78 (46.41)	- -	- -	- -	149.78 (46.41)
Sale of goods	6.53 (19.03)	- -	- -	- -	6.53 (19.03)
Purchase of goods	- (7.68)	- -	- -	- -	- (7.68)
Rent Paid	- -	- -	0.38 (6.06)	- -	0.38 (6.06)
Rent Received	0.98 (0.67)	- -	- (0.23)	- -	0.98 (0.90)
Services received	- (6.06)	- -	- -	- -	- (6.06)
Services rendered	21.04 (18.08)	- -	- -	- -	21.04 (18.08)
Reimbursement of expenses	5.13 (5.27)	- -	- -	- -	5.13 (5.27)
Interest Received/Receivable	17.15 (6.61)	- -	- -	- -	17.15 (6.61)
Unsecured Loan given	128.00 (140.00)	- -	- -	- -	128.00 (140.00)
Repayment of Unsecured Loan received	168.00 -	- -	- -	- -	168.00 -
Dividends paid	- -	11.75 (10.77)	- -	19.40 (20.99)	31.15 (31.76)
Remuneration	- -	137.37 (118.53)	- -	124.92 (81.32)	262.29 (199.85)
Outstanding balance (Dr.)	116.89 (160.44)	- -	- -	- -	116.89 (160.44)
Outstanding balance (Cr.)	- -	- -	- (14.59)	- -	- (14.59)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

c) Disclosure in respect of material transactions with related parties

(₹ in Lacs)

Nature of transactions	Name of the related party	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Investment in equity shares	HMSU Rollers (India) Pvt. Ltd.	149.78	46.41
Sale of goods	ReShilp Equipments (India) Pvt. Ltd.	4.06	0.05
	HMSU Rollers (India) Pvt. Ltd.	2.47	18.98
Purchase of goods	ReShilp Equipments (India) Pvt. Ltd.	-	7.68
Rent Paid	Stylus Infrastructure Pvt. Ltd	0.23	3.70
	Hira Corporation	0.15	2.36
Rent Received	ReShilp Equipments (India) Pvt. Ltd.	0.98	0.67
	Shilp Ultratech Private Limited	-	0.23
Services received	ReShilp Equipments (India) Pvt. Ltd.	-	6.06
Services rendered	HMSU Rollers (India) Pvt. Ltd.	21.04	18.08
Reimbursement of expenses	HMSU Rollers (India) Pvt. Ltd.	5.13	5.22
	ReShilp Equipments (India) Pvt. Ltd.	-	0.05
Interest Received/Receivable	HMSU Rollers (India) Pvt. Ltd.	17.15	6.61
Unsecured Loan given	HMSU Rollers (India) Pvt. Ltd.	128.00	140.00
Repayment of Unsecured Loan received	HMSU Rollers (India) Pvt. Ltd.	168.00	-
Dividends paid	Mr. Ambar J. Patel	3.66	3.66
	Mr. Atul Vinchhi	4.57	4.57
	Mr. G.V. Bhavsar	4.75	4.75
	Mr. Vitthaldas H. Patel	12.10	12.10
Remuneration	Mr. Ambar J. Patel	44.81	38.61
	Mr. Roshan Shah	44.29	38.16
	Mr. Narendra Patil	44.29	38.16
	Mr. Atul Vinchhi	44.29	38.16
	Mr. G.V. Bhavsar	44.29	38.16
	Mr. Vitthaldas H. Patel	30.00	-
Outstanding balance (Dr.)	HMSU Rollers (India) Pvt. Ltd.	116.89	160.44
Outstanding balance (Cr.)	Shilp Ultratech Private Limited	-	14.59

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

34 SEGMENT REPORTING

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

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

Disclosures required under AS 17 – Segment Reporting are as under: (₹ in lacs)

(Figures in brackets represent previous year numbers)

Particulars	Engraved Copper Roller	Wind Mill	Others	Unallocated	Total
Sales	5,151.56 (5,187.98)	214.70 (187.00)	238.37 (256.02)	- -	5,604.63 (5,631.00)
Less: Inter segment sales	- -	214.70 (187.00)	- -	- -	214.70 (187.00)
Segment revenue	5,151.56 (5,187.98)	- -	238.37 (256.02)	- -	5,389.93 (5,444.00)
Segment results	714.71 (818.05)	117.49 (114.89)	26.51 (15.92)	- -	858.71 (948.86)
Assets	4,592.89 (4,080.19)	1,149.34 (1,182.35)	205.39 (289.73)	1,404.23 (1,340.75)	7,351.85 (6,893.02)
Liabilities	611.27 (654.65)	12.66 (1.58)	39.30 (73.69)	2,519.72 (2,330.80)	3,182.95 (3,060.72)

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 (₹ in Lacs)
Amounts receivable in foreign currency	AS AT 31ST MARCH, 2014	USD 76200.63	45.66
	AS AT 31ST MARCH, 2013	USD 18092.46	9.82
		Euro 6010.72	4.18
Amounts payable in foreign currency	AS AT 31ST MARCH, 2014	USD 2600.00	1.56
		EURO 11250.00	9.30
		CHF 9223.00	6.26
	AS AT 31ST MARCH, 2013	USD 21290.00	11.56
		EURO 15134.34	10.52
	CHF 50566.26	28.82	

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

37 CONSUMPTION OF RAW MATERIALS, STORES AND SPARES

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	(₹ in lacs)	%	(₹ in lacs)	%
Raw Materials				
Imported	23.15	1.59%	27.17	1.70%
Indigenous	1,430.73	98.41%	1,569.87	98.30%
Total	1,453.88	100.00%	1,597.04	100.00%
Stores and Spares				
Imported	58.46	15.96%	82.15	22.22%
Indigenous	307.81	84.04%	287.56	77.78%
Total	366.27	100.00%	369.71	100.00%

38 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Capital Goods	572.46	198.09
Raw Material	24.62	26.99
Stores, Spares & Components	77.11	94.72
Total	674.18	319.79

39 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Traveling	3.12	4.30
Advertisement & business promotion	-	24.39
Repairs and maintenance	35.87	23.88
Total	38.98	52.57

40 EARNINGS IN FOREIGN CURRENCY

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
F.O.B. Value – Sales	143.12	96.16

41 REMITTANCE ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS

(i) Remitted in Foreign Currency

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Year to which Dividend relates	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Amount of Dividend remitted (₹ In Lacs)	3.80	4.47
Number of Non-Resident Shareholders to whom remittance was made	24	27
Number of Shares held on which Dividend was due and remitted	253,200	297,800
Face Value of each share(₹)	10	10

(ii) Remitted to their Banks in India

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Year to which Dividend relates	Year Ended March 31, 2013	Year Ended March 31, 2012
Amount of Dividend remitted (₹ In Lacs)	0.86	0.43
Number of Non-Resident Shareholders to whom remittance was made	18	17
Number of Shares held on which Dividend was due and remitted	57,390	28,894
Face Value of each share(₹)	10	10

42 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 shareholding	Amount of interest based on accounts for the year ended 31st March, 2014 (₹ in lacs)			
		Assets	Liabilities	Capital commitments	Contingent Liability
HMSU Rollers (India) Pvt. Ltd, India	20%	500.39 (430.37)	396.04 (333.85)	50.00 (60.00)	- -

43 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, 2014	Maximum Balance outstanding during the year
HMSU Rollers (India) Pvt. Ltd, India	Joint Venture	100.00 (140.00)	168.00 (140.00)

44 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 : 1st May, 2014

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

Ambar J. Patel **Gajanan V. Bhavsar** **Roshan H. Shah**
Managing Director Executive Director Executive Director

Chandraprakash Devpura **Pragnesh Darji**
Chief Financial Officer Company Secretary

Place : Rakanpur
Date : 1st May, 2014

FINANCIAL DETAILS OF SUBSIDIARY COMPANY

₹ in Lacs

DETAILS OF THE SUBSIDIARY COMPANY PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956	
Name of the Subsidiary	Reshilp Equipments (India) Private Limited
Share Capital	57.23
Reserves	(55.27)
Total Assets	405.85
Total Liabilities	405.85
Investments	—
Turnover	616.38
Profit Before Taxation	(66.16)
Provision for Taxation	0.65
Profit after Taxation	(66.81)
Proposed Dividend	—

STATEMENT PURSUANT TO THE SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY FOR THE YEAR ENDED 31ST MARCH, 2014

1. Name of the Company	ReShilp Equipments (India) Private Limited
2. Financial year of the subsidiary company ended on	31st March, 2014
3. Shares of the Subsidiary Company held on above date	
a) Number of Equity Shares	291867
b) Face Value	10
c) Extent of Holding	51%
4. Net Aggregate amount of profit/Loss of the Subsidiary Company as far as it concerns the members of the Company :	
1) Dealt with in the Company's Accounts:	
(a) For the Financial Year of Subsidiary Company.	Nil
(b) For the previous Financial Year of Subsidiary Company.	Nil
2) Not dealt with in the Company's Accounts:	
(a) For the Financial Year of Subsidiary Company.	(₹ 34.07 Lacs)
(b) For the previous Financial Year of Subsidiary Company.	₹ 2.40 Lacs
5. Statement of changes under Section 212(5) of the Companies Act, 1956:	
(i) Fixed Assets, Capitalised Assets & WIP	₹ 0.69 Lacs
(ii) Investments	—
(iii) Monies Lent	—
(iv) Monies Borrowed/ Term Loan to its ongoing project from the banks/ financial institutions.	—

For, Shilp Gravures Limited

Ambar J. Patel
Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SHILP GRAVURES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SHILP GRAVURES LIMITED** (the "Company"), its subsidiary and jointly controlled entity (the Company, its subsidiary and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated 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 Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Other Matter

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets (net) of ₹405.85 Lacs as at 31st March, 2014, total revenues of ₹616.38 Lacs and net cash flows amounting to ₹1.41 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, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, 1st May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

(₹ in Lacs)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2014	AS AT 31st MARCH, 2013
A EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share capital	3	614.98	614.98
(b) Reserves and surplus	4	3,379.46	3,217.20
		3,994.44	3,832.18
2 MINORITY INTEREST		0.97	33.68
3 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	1,187.42	1,010.84
(b) Deferred tax liabilities (net)	28	583.60	519.58
(c) Long-term provisions	6	97.01	101.30
		1,868.03	1,631.72
4 CURRENT LIABILITIES			
(a) Short-term borrowings	7	668.26	748.87
(b) Trade payables	8	843.37	806.28
(c) Other current liabilities	9	478.54	375.33
(d) Short-term provisions	10	101.26	117.22
		2,091.43	2,047.70
TOTAL		7,954.87	7,545.28
B ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed assets	11		
(i) Tangible assets		5,285.97	4,147.15
(ii) Intangible assets		9.66	100.30
(iii) Capital work-in-progress		32.28	297.30
(b) Long-term loans and advances	12	143.33	628.20
(c) Other non-current assets	13	8.63	17.37
		5,479.87	5,190.32
2 CURRENT ASSETS			
(a) Current investments	14	1.75	1.75
(b) Inventories	15	675.51	599.82
(c) Trade receivables	16	1,428.33	1,396.95
(d) Cash and cash equivalents	17	122.90	128.15
(e) Short-term loans and advances	18	245.50	227.45
(f) Other Current Assets	19	1.01	0.84
		2,475.00	2,354.96
TOTAL		7,954.87	7,545.28
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 : 1st May, 2014

For and on behalf of the Board of Directors of

Shilp Gravures Limited
Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Roshan H. Shah

Executive Director

Chandraprakash Devpura

Chief Financial Officer

Pragnesh Darji

Company Secretary

Place : Rakanpur

 Date : 1st May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

PARTICULARS	NOTE NO.	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
1 Revenue from Operations (Gross)	20	6,547.50	6,548.16
Less: Excise Duty		506.36	511.69
Revenue from Operations (Net)		6,041.14	6,036.47
2 Other Income	21	50.99	39.79
3 TOTAL REVENUE (1+2)		6,092.13	6,076.26
4 EXPENSES			
(a) Cost of raw materials consumed	22	1,988.97	2,058.48
(b) Purchases of stock-in-trade		3.42	11.67
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(19.33)	1.49
(d) Employee benefits expense	24	1,341.07	1,123.53
(e) Finance costs	25	262.72	187.57
(f) Depreciation and amortisation expense	11	660.42	623.85
(g) Other expenses	26	1,410.58	1,302.17
TOTAL EXPENSES		5,647.85	5,308.76
5 Profit before Tax (3-4)		444.28	767.50
6 Tax Expenses			
(a) Current tax		146.70	201.43
(b) Short/(excess) provision for tax relating to prior years		17.69	(20.23)
(c) Net current tax		164.39	181.20
(d) Deferred tax		64.02	32.67
		228.41	213.87
7 Profit after tax before minority interest (5-6)		215.87	553.63
8 Minority Interest		(32.74)	2.30
9 Profit attributable to shareholders of the Company (7-8)		248.61	551.33
10 Earnings per Share (of ₹ 10 each)	27		
Basic and Diluted		4.04	8.96
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 : 1st May, 2014

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

Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Roshan H. Shah

Executive Director

Chandraprakash Devpura

Chief Financial Officer

Pragnesh Darji

Company Secretary

Place: Rakanpur

Date : 1st May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

Particulars	YEAR ENDED 31st March, 2014	YEAR ENDED 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	444.28	767.50
Adjustments for :		
Depreciation and amortisation	660.42	623.85
Bad debts	24.34	34.78
Provision for Doubtful Debts	33.63	-
Financial Cost	262.72	187.57
Interest Income	(22.68)	(10.20)
Dividend Income	(0.21)	(0.21)
(Profit)/Loss on Sale/Write off of Fixed Assets	0.19	1.32
Net unrealised exchange (gain)/loss	38.66	(4.21)
Provision for warranty expenses	6.20	1.63
Discount on sales	40.13	31.80
Provision for Leave and Gratuity	(3.23)	29.02
Liabilities written back	-	(5.87)
	1,040.17	889.48
Operating profit/(loss) before working capital changes	1,484.45	1,656.98
<u>Changes in Working Capital:</u>		
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	12.56	203.84
Long-term Provisions	(1.06)	(3.87)
Short-term Provisions	(108.50)	(103.34)
Other Current Liabilities	209.65	125.82
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	(130.66)	(48.06)
Inventories	(75.69)	(64.13)
Long-term Loans and Advances excluding capital advances	(37.64)	17.44
Short-term Loans and Advances	(18.05)	(77.97)
Other Current Assets	(0.17)	(0.84)
Other Non-Current Assets	8.74	(11.29)
	(140.82)	37.60
Cash Generated from/(used in) Operations	1,343.63	1,694.58
Net income tax (paid)/refund	(148.52)	(204.48)
Net Cash flow from Operating Activities (A)	1,195.11	1,490.10
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(986.44)	(1,346.16)
Proceeds from Sale of Fixed Assets	17.31	14.00
Bank balances not considered as Cash and cash equivalents		
- Matured	1.50	12.65
Loans given to Joint ventures	(102.40)	(112.00)
Loans repaid by Joint ventures	134.40	-
Interest received	22.68	10.20
Dividend received	0.21	0.21
Net Cash Flow used in Investing Activities (B)	(912.74)	(1,421.10)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd...)

(₹ in Lacs)

Particulars	YEAR ENDED 31st March, 2014	YEAR ENDED 31st March, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	882.50	658.71
Repayment of Long Term Borrowings	(717.95)	(216.18)
Net increase / (decrease) in working capital borrowings	(80.61)	(239.31)
Repayment of Other Short Term Borrowings	-	(2.70)
Financial Cost	(262.72)	(187.57)
Dividend Paid	(92.25)	(92.25)
Tax on Dividend	(15.68)	(14.96)
Net Cash Flow used in Financing Activities (C)	(286.71)	(94.26)
Net increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(4.34)	(25.26)
Cash and Cash Equivalents at the beginning of the year	120.40	145.67
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.59)	0.01
Cash and Cash Equivalents at the end of the year	116.65	120.40
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)	122.90	128.15
Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3)	6.25	7.75
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	116.65	120.40
Cash and cash equivalents at the end of the year comprises of		
(a) Cash on hand	5.27	12.57
(b) Cheques/Drafts on hand	23.80	1.74
(c) Balances with Banks		
(i) In Current Accounts	71.93	90.75
(ii) In deposit accounts with original maturity of less than 3 months	-	-
(iii) In earmarked accounts		
- Unpaid Dividends Accounts	15.65	15.34
(d) Others		
	116.65	120.40
Note :		
Cash and cash equivalents includes ₹ 15.65 Lacs (P.Y. 15.34 Lacs) in earmarked account balances with banks can be utilised only for the specific identified purposes.		
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	Gajanan V. Bhavsar Executive Director
		Roshan H. Shah Executive Director
Gaurav J. Shah Partner	Chandraprakash Devpura Chief Financial Officer	Pragnesh Darji Company Secretary
Place : Ahmedabad Date : 1 st May, 2014	Place : Rakanpur Date : 1 st May, 2014	

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 have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (“the 1956 Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular dated 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used 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, jointly controlled entities and associates used in the consolidation are drawn up to the same reporting date as that of the Company i.e., 31 March, 2014. These have been consolidated based on latest available financial statements.
- ii. The financial statements of the Company and its subsidiary company have been consolidated on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profit as per the applicable Accounting Standard in India.
- iii. Interests in joint ventures have been accounted by using the proportionate consolidation method as per the applicable Accounting Standard in India. The intra - group balances and intra - group transactions and unrealized profits are eliminated to the extent of the Company’s proportionate share.
- iv. The excess of the cost to the Company of its investment in subsidiaries and joint ventures over the Company’s portion of equity as at the dates on which the investments in subsidiary companies and joint ventures are made is recognized in the consolidated financial statements as “Goodwill on Consolidation”.
- v. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences if any, in accounting policies have been disclosed separately.
- vi. Minority interest in the net assets of subsidiary consists of the amount of equity attributable to minority at the date on which the investment in the subsidiary is made. The minority’s share of movements in equity since the date the parent - subsidiary relationship comes into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax.
- vii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned below and are presented to the extent possible, in the same manner as the Company’s separate financial statements.
- viii. Following subsidiary companies, associates 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 st March, 2014	Percentage of holding and voting power as at 31 st March, 2013
Reshilp Equipments (India) Private Limited	Subsidiary	India	51%	51%
HMSU Rollers (India) Private Limited	Joint Venture Entity	India	20%	20%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

2.3 Use of Estimates

The preparation of consolidated financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

2.4 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."

2.5 Intangible Assets

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

2.6 Depreciation / Amortization

All tangible fixed assets, except freehold land, leasehold land and capital work in progress, are depreciated on a straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies' Act, 1956.

Softwares are depreciated over five years.

Purchased goodwill is amortized over a period of five years from the year in which it is acquired.

2.7 Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's each class of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.8 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.

2.9 Revenue Recognition

Revenue from sale of goods is recognized on dispatch of goods to the customers when significant risk and rewards of ownership of the goods is transferred to the buyer and no significant uncertainty exists regarding its measurability or collectability.

Revenue from sale of services is recognized once the services are rendered on the basis of completed service contract method and when there is no significant uncertainty regarding its measurability or collectability.

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.

2.10 Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. Non - monetary items are carried at historical costs.

Exchange difference arising on settlement of foreign currency transactions or restatement of foreign currency denominated monetary assets and liabilities are recognized in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

2.11 Employee Benefits

Defined Contribution Plans:

The Company's contribution paid / payable for the year to provident fund, superannuation fund and ESIC are recognized in the Statement of profit and loss.

Defined Benefit Plan:

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

All other short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.

2.12 Segment Reporting Policy

The Company 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 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.

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".

2.13 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

2.14 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.

2.15 Provision for Tax

Tax expenses for a year comprise of current tax and deferred tax.

Provision for current tax is determined based on assessable profits of the Company as determined under the Income Tax Act, 1961.

Provision for deferred tax is determined based on the effect of timing difference between the assessable profits under the Income Tax Act and the profits as per the Statement of Profit and Loss. Deferred tax assets, other than those from carry forward losses and unabsorbed depreciation, are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic benefits will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly in the control of the Company, are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in the Notes to Consolidated Financial Statements.

Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

3 SHARE CAPITAL

PARTICULARS	AS AT 31st MARCH, 2014		AS AT 31st MARCH, 2013	
	(NUMBER)	(₹ in Lacs)	(NUMBER)	(₹ in Lacs)
Authorised: Equity Shares of ₹10 each with voting rights	6,500,000	650.00	6,500,000	650.00
Issued, Subscribed and Paid-up: Equity Shares of ₹ 10 each fully paid up with voting rights	6,149,800	614.98	6,149,800	614.98
Total	6,149,800	614.98	6,149,800	614.98

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

PARTICULARS	AS AT 31st MARCH, 2014		AS AT 31st MARCH, 2013	
	(NUMBER)	(₹ in Lacs)	(NUMBER)	(₹ in Lacs)
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 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹1.20 (P.Y. ₹1.50)

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

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

NAME OF SHAREHOLDER	AS AT 31st MARCH, 2014		AS AT 31st MARCH, 2013	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vitthaldas H. Patel	765,756	12.45%	782,356	12.72%
Vitthaldas H. Patel jointly with Hiraben V. Patel	24,146	0.39%	24,146	0.39%
Hiraben V. Patel Jointly with Vitthaldas H. Patel	382,262	6.22%	382,262	6.22%
Hiraben V. Patel	584,314	9.50%	607,714	9.88%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

4 RESERVES AND SURPLUS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
a. Capital Reserves		
State Capital Investment Subsidy	15.00	15.00
	15.00	15.00
b. General Reserve		
Opening Balance	1,234.76	934.76
Add : Transfer from the surplus in Statement of Profit & Loss	25.00	300.00
Less : Utilised/Transferred during the year	-	-
Closing Balance	1,259.76	1,234.76
c. Surplus in Statement of Profit & Loss		
Opening Balance	1,970.92	1,824.04
Add : Net Profit For the current year	390.54	554.81
Less: Appropriation		
Proposed Dividend (Amount per share ₹ 1.20 (P.Y. ₹ 1.50))	73.80	92.25
Tax on Proposed Dividend	12.54	15.68
Transfer to General Reserves	25.00	300.00
Net surplus in the statement of profit and loss	2,250.12	1,970.92
Share of joint ventures - jointly controlled entity	(145.42)	(3.48)
Total	3,379.46	3,217.20

5 LONG TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Secured		
Term loans		
From Banks (Refer note (i) to (vi) below)	778.25	591.83
From Financial Institutions (Refer note (viii) below)	-	1.03
	778.25	592.86
Unsecured		
Term loans		
From Financial Institutions (Refer note (ix) below)	145.73	172.53
	145.73	172.53
Share of joint ventures - jointly controlled entity (Refer note (vii and x) below)	263.44	245.45
Total	1,187.42	1,010.84

Secured

- (i) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 281.76 Lacs (P.Y. ₹ 380.34 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 the three new 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 ₹ Nil (P.Y. ₹ 133.41 Lacs), out of which ₹ Nil (P.Y. ₹ 29.68 Lacs) is classified as current maturity. The loan was secured by exclusive charge over the new Imported Machineries acquired out of the said loan. Further, the loan was guaranteed by the personal guarantee of some of the promoter directors.
- (iii) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 492.96 Lacs (P.Y. ₹ Nil), out of which ₹ 105.14 Lacs (P.Y. ₹ Nil) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

- (iv) Loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 260.95 Lacs (P.Y. ₹ 263.96 Lacs), out of which ₹ 60.22 Lacs (P.Y. ₹ 52.79 Lacs) is classified as current maturity. The new 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 the new one windmill to be acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (v) Hire purchase finances from The Ahmedabad Mercantile Co-operative Bank Limited for Car amounting to ₹ 3.84 Lacs (P.Y. ₹ Nil), out of which ₹1.02 Lacs (P.Y. ₹ Nil) is classified as current maturity, is secured by hypothecation of the Car.
- (vi) Hire purchase finances from The Ahmedabad Mercantile Co-operative Bank Limited for Car amounting to ₹ 11.64 Lacs (P.Y. ₹ Nil), out of which ₹ 3.12 Lacs (P.Y. ₹ Nil) is classified as current maturity, is secured by hypothecation of the Car.
- (vii) Loan from The Axis Bank Limited amounting to ₹ 840.17 Lacs (P.Y. ₹ 770.36 Lacs). The loan is repayable in 60 Monthly installments {(a) 12 EMI of ₹10.00 Lacs each from Oct,2013 to Sept, 2014, (b)12 EMI of ₹15.00 Lacs each from Oct,2014 to Sept, 2015, (c) 12 EMI of ₹20.00 Lacs each from Oct,2015 to Sept, 2016, (d) 23 EMI of ₹ 21.00 Lacs each from Oct,2016 to Aug, 2018, and (e) 1 monthly installment of ₹ 17.00 Lacs}. 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.
- (viii) Hire purchase finances for Car amounting to ₹ 1.03 Lacs (P.Y. ₹ 5.02 Lacs), out of which ₹ 1.03 Lacs (P.Y. ₹ 3.98 Lacs) is classified as current maturity, is secured by hypothecation of the Car.

Unsecured

- (ix) Unsecured loan amounting to ₹ 145.73 Lacs (P.Y. ₹ 172.53 Lacs) taken from Life Insurance Corporation of India. The loan is availed against Keyman Insurance policies of the key personnels of the Company. The same to be paid on or before the maturity of the respective Keyman Insurance policies i.e. 24-05-2015 ₹ 25.65 Lacs, 04-06-2015 ₹ 26.80 Lacs, 28-07-2016 ₹ 18.76 Lacs, 10-05-2018 ₹ 18.95 Lacs, 04-06-2018 ₹ 18.95 Lacs, 15-07-2018 ₹ 18.31 Lacs, 24-08-2018 ₹ 18.31 Lacs
- (x) Unsecured loan amounting to ₹ 377.04 Lacs (P.Y. ₹ 596.90 Lacs) is in the form of External Commercial Borrowings, to be paid after five years from the date of receipt.

6 LONG TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Provision for employee benefits		
Gratuity (Funded) (Refer Note 29)	73.23	79.72
Compensated Absences (unfunded)(Refer note 29)	23.78	21.58
Total	97.01	101.30

7. SHORT TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Secured		
Loans repayable on demand		
Cash Credit from Banks (Refer note (i))	653.56	748.87
Share of joint ventures - jointly controlled entity (Refer note (ii) below)	14.70	-
Total	668.26	748.87

- (i) Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd. of ₹ 653.56 Lacs (P.Y. ₹ 748.87 Lacs). The same is secured by present and future book debts and inventories of the Company, personal guarantee of some of the promoter directors.
- (ii) Working capital loan from Axis Bank Limited of ₹ 14.70 Lacs (P.Y. ₹ Nil). The same is secured by present and future book debts and inventories of the Company.

8 TRADE PAYABLES

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Trade payables other than Acceptances (Refer Note 36)	807.36	784.65
Share of joint ventures - jointly controlled entity	36.01	21.63
Total	843.37	806.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

9 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Current maturities of long-term debt (Refer Note (i) to (viii) of Note 5 above)	273.93	189.86
Interest accrued but not due on borrowings	2.37	5.18
Unpaid dividends*	15.65	15.34
Other payables		
Statutory and Other Liabilities	33.38	23.44
Payables for Purchase of Fixed Assets	37.35	43.66
Advances from Customers	74.09	59.08
Share of joint ventures - jointly controlled entity	41.78	38.77
Total	478.54	375.33

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

10 SHORT TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Provision for employee benefits		
Compensated Absences (unfunded) (Refer Note 29)	8.72	7.66
Provision for Warranty Expenses	6.20	1.63
Others		
Proposed Dividend	73.80	92.25
Tax on Proposed Dividend	12.54	15.68
Total	101.26	117.22

11 FIXED ASSETS (Figures in Brackets represent previous year numbers)

(₹ in Lacs)

Fixed Assets	Gross Block				Accumulated Depreciation/Amortisation			Net Block		
	Balance as at 1st April 2013	Additions during the year	Disposals during the year	As at 31st March, 2014	Balance as at 1st April 2013	Depreciation/Amortisation charge for the year	On disposals during the year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
a Tangible Assets										
Land	142.98	-	-	142.98	-	-	-	-	142.98	142.98
	(62.68)	(80.30)	-	(142.98)	-	-	-	(142.98)	(62.68)	(62.68)
Buildings	867.12	50.10	-	917.22	151.13	26.71	-	177.85	739.37	715.99
	(748.17)	(118.96)	-	(867.12)	(128.82)	(22.31)	-	(151.13)	(715.99)	(619.35)
Plant and Machineries	6,082.74	888.35	29.78	6,941.31	4,092.49	400.32	15.94	4,476.88	2,464.44	1,990.25
	(5,711.85)	(370.89)	-	(6,082.74)	(3,719.25)	(373.25)	-	(4,092.49)	(1,990.25)	(1,992.60)
Windmills	1,003.74	377.43	-	1,381.18	175.15	70.47	-	245.62	1,135.56	828.59
	(1,003.74)	-	-	(1,003.74)	(122.15)	(53.00)	-	(175.15)	(828.59)	(881.59)
Furniture and Fixtures	162.45	0.58	-	163.03	82.98	9.91	-	92.89	70.14	79.47
	(148.24)	(14.21)	-	(162.45)	(73.67)	(9.31)	-	(82.98)	(79.47)	(74.57)
Vehicles	150.71	59.03	4.64	205.10	53.63	16.38	0.98	69.03	136.08	97.09
	(185.99)	-	(35.28)	(150.71)	(57.69)	(15.90)	(19.96)	(53.63)	(97.09)	(128.30)
Office Equipments and Computers	527.92	34.36	-	562.28	390.71	26.75	-	417.46	144.82	137.20
	(508.53)	(33.64)	(14.26)	(527.92)	(374.42)	(30.55)	(14.26)	(390.71)	(137.20)	(134.11)
Electrical Installations	147.21	-	-	147.21	61.04	7.04	-	68.08	79.14	86.18
	(147.21)	-	-	(147.21)	(53.99)	(7.04)	-	(61.04)	(86.18)	(93.22)
Share of joint ventures - jointly controlled entity	69.40	316.24	-	385.64	-	12.19	-	12.19	373.46	69.40
	-	(69.40)	-	(69.40)	-	-	-	-	(69.40)	-
Total	9,154.28	1,726.10	34.42	10,845.96	5,007.13	569.77	16.92	5,559.98	5,285.97	4,147.15
	(8,516.42)	(687.40)	(49.54)	(9,154.28)	(4,529.99)	(511.35)	(34.22)	(5,007.13)	(4,147.15)	(3,986.43)
b Intangible Assets										
Goodwill	560.44	-	-	560.44	462.92	90.11	-	553.03	7.41	97.52
	(560.44)	-	-	(560.44)	(350.83)	(112.09)	-	(462.92)	(97.52)	(209.61)
Computer software	3.25	-	-	3.25	0.47	0.53	-	1.00	2.25	2.78
	(1.53)	(1.73)	-	(3.25)	(0.06)	(0.41)	-	(0.47)	(2.78)	(1.47)
Total	563.69	-	-	563.69	463.39	90.64	-	554.03	9.66	100.30
	(561.96)	(1.73)	-	(563.69)	(350.89)	(112.50)	-	(463.39)	(100.30)	(211.07)
c Capital Work In Progress										
Share of joint ventures - jointly controlled entity	-	-	-	-	-	-	-	-	32.28	12.41
	-	-	-	-	-	-	-	-	(12.41)	(79.32)
Total	-	-	-	-	-	-	-	-	32.28	284.89
	-	-	-	-	-	-	-	-	(284.89)	-
Grand Total	9,717.97	1,726.10	34.42	11,409.64	5,470.52	660.42	16.92	6,114.01	5,327.91	4,544.75
	(9,078.38)	(689.13)	(49.54)	(9,717.97)	(4,880.88)	(623.85)	(34.22)	(5,470.52)	(4,544.75)	(4,276.82)

- Building includes ₹ 100 towards one equity share fully paid up of Shree Kashi Parekh House Owner's Association
- Plant and Machinery includes softwares being an integral part of plant and machinery

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

12 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Advances for Capital Goods	3.64	477.36
Security Deposits	59.69	37.92
Loans to related party - HMSU Rollers (India) Pvt. Ltd. (Refer note 33)	80.00	112.00
Share of joint ventures - jointly controlled entity	-	0.92
Total	143.33	628.20

13 OTHER NON-CURRENT ASSETS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Bank Deposits more than 12 months maturity period*	-	1.97
Preliminary and Pre-operative expenses	1.10	1.65
Share of joint ventures - jointly controlled entity	7.54	13.76
TOTAL	8.63	17.37

* Bank deposit amounting to ₹ 7.97 Lacs (P. Y. ₹ 1.99 Lacs) is under lien.

14 CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Investment in Equity instruments - Unquoted (at Cost)		
3,500(P.Y.3,500) Equity Shares of The Ahmedabad Mercantile Co-operative Bank Ltd.at ₹50 each fully paid up	1.75	1.75
Total	1.75	1.75

15 INVENTORIES (At lower of cost or net Realisable Value)

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Raw Materials and components	416.42	387.42
Raw Materials and components - Goods-in transit	2.08	-
Work-in-progress	145.86	127.88
Finished goods	6.45	7.42
Stock-in-trade	0.84	4.44
Stores and spares	56.51	46.64
Stores and spares - Goods-in transit	0.91	0.97
Packing Materials	2.15	2.66
Share of joint ventures - jointly controlled entity	44.30	22.40
Total	675.51	599.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

16 TRADE RECEIVABLES

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	56.82	96.79
Doubtful	33.63	-
	90.46	96.79
Less: Provision for Doubtful Trade Receivables	33.63	-
	56.82	96.79
Other Trade Receivables		
Unsecured, considered good	1,344.13	1,300.16
	1,344.13	1,300.16
	1,400.95	1,396.95
Share of joint ventures - jointly controlled entity	27.38	-
Total	1,428.33	1,396.95

17 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
a. Cash on hand	4.99	12.05
b. Cheques, drafts on hand	23.80	1.74
c. Balances with banks		
i) In Current Accounts	71.49	83.64
ii) In Earmarked Accounts		
- Unpaid dividend accounts	15.65	15.34
	115.93	112.77
d. Others		
Bank Deposits with more than 3 months, but below 12 months maturity	0.25	7.75
	116.18	120.52
Share of joint ventures - jointly controlled entity	6.72	7.63
Total	122.90	128.15

18 SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Unsecured, considered good		
Advance to Suppliers	5.19	47.26
Advance Income Tax (Net of Tax Provisions of ₹ 539.62 Lacs (P.Y. ₹ 358.62 Lacs))	40.36	61.65
Deposits		
To Related Parties	1.51	1.74
To Others	4.42	9.39
Prepaid Expenses	32.12	19.53
Balances with Government Authorities	26.98	25.13
Others		
To Related Parties	0.04	2.28
To Others	98.29	29.92
Share of joint ventures - jointly controlled entity	36.59	30.55
Total	245.50	227.45

19 OTHER CURRENT ASSETS

PARTICULARS	AS AT 31st MARCH, 2014 (₹ in Lacs)	AS AT 31st MARCH, 2013 (₹ in Lacs)
Share of joint ventures - jointly controlled entity	1.01	0.84
Total	1.01	0.84

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

20 REVENUE FROM OPERATIONS

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Sale of products	4,724.68	4,611.06
Less : Excise Duty	506.36	511.69
	4,218.32	4,099.37
Sale of services	1,937.91	2,089.11
Less : Service Tax	213.49	229.83
	1,724.42	1,859.28
Trading Sales	15.36	23.90
Other Operating Revenue		
- Scrap Sales	82.79	85.72
Less: Discount on sales	40.13	31.80
Share of joint ventures - jointly controlled entity	40.38	-
Total	6,041.14	6,036.47

21 OTHER INCOMES

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Interest Income	22.21	10.10
Dividend Income	0.21	0.21
Recovery of Bad debts written off in earlier years	1.46	3.25
Rent Income	-	0.23
Business Support Service	23.04	18.28
Liabilities no longer required written back	-	5.87
Miscellaneous Income	3.08	1.37
Share of joint ventures - jointly controlled entity	0.99	0.47
Total	50.99	39.79

22 COST OF RAW MATERIAL CONSUMED

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Inventory at the beginning of the year	387.42	341.26
Add : Purchases during the year	1,982.13	2,104.64
	2,369.54	2,445.90
Inventory at the end of the year	418.49	387.42
	1,951.05	2,058.48
Share of joint ventures - jointly controlled entity	37.92	-
Total	1,988.97	2,058.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
INVENTORIES AT THE BEGINNING OF THE YEAR		
Finished Goods	6.60	5.40
Work-in-progress	127.88	112.65
Stock-in-trade	4.44	22.36
	138.92	140.41
INVENTORIES AT THE END OF THE YEAR		
Finished Goods	5.74	6.60
Work-in-progress	145.86	127.88
Stock-in-trade	0.84	4.44
	152.44	138.92
CHANGE IN INVENTORIES	(13.52)	1.49
Share of joint ventures - jointly controlled entity	(5.80)	-
NET CHANGE IN INVENTORIES	(19.33)	1.49

24 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Salaries, Wages and bonus	1,175.74	951.80
Contributions to Provident and other funds	53.62	72.96
Staff welfare expenses	96.86	98.77
Share of joint ventures - jointly controlled entity	14.85	-
Total	1,341.07	1,123.53

25 FINANCE COSTS

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Interest expense		
On term loans	132.04	86.35
On working capital loans	87.88	94.49
Others	1.35	2.50
Other borrowing costs	3.96	4.00
Share of joint ventures - jointly controlled entity	37.48	0.23
Total	262.72	187.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

26 OTHER EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2014 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)
Stores, Spares & Consumables	367.78	370.77
Packing Materials Consumed	75.42	69.00
Increase/(decrease) of excise duty on inventory	0.11	(0.26)
Power, Fuel & Electricity	94.92	96.49
Repairs and Maintenance		
Plant & Machinery	65.36	61.75
Building	29.17	50.19
Others	40.33	33.80
Factory Expenses	40.19	30.66
Rent	22.94	24.71
Rates & Taxes	0.75	0.60
Legal and Professional Charges	16.85	26.97
Consultancy Charges	45.89	45.69
Conveyance and Travelling	126.64	109.06
Communication Expenses	21.15	22.77
Stationary, Printing and subscription	12.13	14.11
Insurance Premium	43.39	46.93
Auditors' Remuneration	9.50	12.45
Computer Expenses	13.83	9.69
Bad debts	24.34	34.78
Provision for Doubtful Trade Receivables	33.63	-
Donation	13.33	6.33
Clearing & Forwarding	62.60	78.84
Sales Commision	36.09	26.98
Advertisement and Business Promotion	39.93	67.93
Royalty Exps	2.05	0.97
Preliminary & Preoperative Exps Written off	0.54	0.55
Loss on foreign exchange rate fluctuation (net)	51.70	2.21
Loss on sale of fixed assets (net)	0.19	1.32
Warranty Expenses	6.20	1.63
Miscellaneous Expenses	45.13	52.04
Share of joint ventures - jointly controlled entity	68.50	3.21
Total	1,410.58	1,302.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

27 EARNING PER SHARE (EPS)

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Basic and Diluted		
Profit attributable to equity share holders (₹ in lacs)	248.61	551.33
Nominal Value of equity share (₹/share)	10	10
Weighted average number of ordinary equity share for Basic EPS (Nos.)	6,149,800	6,149,800
Basic and Diluted EPS (₹/share)	4.04	8.96

28 DEFERRED TAX LIABILITY

The deferred tax liability/asset comprises of tax effect of timing differences on account of: (₹ in Lacs)

PARTICULARS	AS AT 31st MARCH, 2014	AS AT 31st MARCH, 2013
Deferred Tax Liability		
Difference between book and tax depreciation	584.71	521.80
	584.71	521.80
Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	(1.10)	(2.21)
	(1.10)	(2.21)
Deferred Tax Liability (net)	583.60	519.58

29 EMPLOYEE BENEFITS

The present value of gratuity and leave encashment obligations is determined based on actuarial valuation by an independent expert, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Current service cost	12.59	11.82	4.18	3.43
Interest Cost	12.98	10.78	1.91	1.61
Expected return on plan assets	(8.21)	(6.75)	-	-
Net actuarial losses (gains)	(9.39)	15.01	2.87	7.32
Total	7.97	30.86	8.96	12.36

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Defined benefit obligation at beginning of the year	163.14	128.52	27.68	22.47
Service cost	12.59	11.82	4.18	3.43
Interest cost	12.98	10.78	1.91	1.61
Actuarial losses (gains)	(9.39)	15.39	2.87	7.32
Benefits paid	(1.77)	(3.37)	(7.58)	(7.15)
Defined benefit obligation at year end of the year	177.55	163.14	29.06	27.68

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Fair value of plan assets at beginning of the year	83.43	71.15	-	-
Expected return on plan assets	8.21	6.75	-	-
Actuarial gains and (losses)	-	0.38	-	-
Contributions by employer	14.45	7.92	-	-
Benefits paid	(1.77)	(3.37)	-	-
Adjustment to fund	-	0.60	-	-
Fair value of plan assets at year end	104.33	83.43	-	-

IV. Investment details:

Particulars	% invested as at 31st MARCH, 2014	% invested as at 31st MARCH, 2013
Insurance Company	100%	100%

V. Actuarial Assumptions: (₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	9.10%	8.00%	9.10%	8.00%
Expected Return on plan assets (per annum)	9.15%	9.15%	-	-
Rate of escalation in salary (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	2008-09	2009-10	2010-11	2011-12	2012-13
Present value of defined benefit obligations at the end of the year (Independent actuary)	80.01	97.79	111.67	128.52	163.14
Fair value of plan assets at the end of the year	32.62	45.11	52.65	71.15	83.43
Net assets / (Liability) at the end of the year	47.39	52.68	59.02	57.37	79.71

2. Defined Contribution Plans.

Contribution of Defined Contribution Plan, recognized as expense for the year as under: (₹ in Lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Employer's Contribution to Provident Fund	38.86	36.11
Employers' Contribution to Superannuation Fund	6.24	6.07

30 LEASES

The Company has taken vehicles on hire purchase financing and hire purchase installments amounting to ₹ 0.62 Lacs (P.Y. ₹0.42 Lacs) have been charged to the Statement of Profit and Loss. The future minimum hire purchase installments are as under:

(₹ in Lacs)

Particulars	As at 31st MARCH, 2014	As at 31st MARCH, 2013
Not later than 1 year	1.03	3.98
Later than 1 year but not later than 5 years.	-	1.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 23.91 Lacs (P.Y. ₹ 25.38 Lacs) have been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

(₹ in Lacs)

Particulars	As at 31st MARCH, 2014	As at 31st MARCH, 2013
Not later than 1 year	22.91	15.18
Later than 1 year but not later than 5 years.	-	1.69

31 CAPITAL AND OTHER COMMITMENTS

(₹ in Lacs)

Particulars	As at 31st MARCH, 2014	As at 31st MARCH, 2013
Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance)	8.50	71.56
Estimated amount of investment to be made in joint venture	50.00	60.00

32 CONTINGENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st MARCH, 2014	As at 31st MARCH, 2013
Disputed demand not acknowledged as debt against which the Company has preferred appeal	28.44	73.19
Corporate Guarantee given*	1,190.00	-
Bills Discounted	-	51.36

* The Company has provided Corporate Guarantee for an amount of ₹ 1190.00 Lacs in favour of Axis Bank Limited for the Term Loan provided to HMSU Rollers (India) Private Limited, a Joint Venture Company.

The Partners of Joint Venture Agreement have entered into an interse Memorandum of Understanding that though the Corporate Guarantee is being provided for 100% amount of Loan facilities availed by Joint Venture company, but in case of invocation of the guarantee by the lender, the risk will be borne by all partners in their share holding ratios only. Hence, the liability of the Company, if any, will be restricted to ₹ 238.00 Lacs (being 20% of total amount of Loan facilities).

33 RELATED PARTY DISCLOSURES

a) Related parties and their relationship

Name of the related party	Relationship
Mr. Ambar J. Patel Mr. Roshan Shah Mr. G.V. Bhavsar Mr. Georg Maria Heinen Mr. Wilhem Johann Weber Mr. Paul Lucien Robert Verfaellie Mr. Gunthram Germain Denis Cornelis Mr. Kamal Prakash Mr. Shailesh K. Shah Mr. Roberto Galbiati Mr. Dassisti Luigi Mr. Giuseppe Angelo Romani	Key Management Personnel
Mr. Narendra Patil Mr. Atul Vinchhi Mr. Vitthaldas H. Patel	Individuals exercising significant influence over the enterprise
Shilp Ultra-tech Pvt Ltd. Stylus Infrastructure Pvt Ltd. Re S.p.A Controlli Industriali H&M Rollers Technologies (PTY) Ltd-SA Gomplast S.A. Hannecard & Mitex Italia SRL Hannecard N.V. Mitex GMBH Unimark International Pvt. Ltd. Unimark Metallurgical Pvt Ltd Stylus Infrastructure Pvt Ltd. Hira Corporation	Entity controlled by Key Management Personnel
Mr. Deval A. Patel	Relative of Key Management Personnel
Mr. Siddharth N. Patil Mrs. Madhuri A. Vinchhi	Relative of Individuals exercising significant influence over the enterprise

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

b) Transactions with related parties (Figures in brackets represent previous year numbers)

(₹in Lacs)

Nature of transactions	Key Management Personnel and their relatives	Entities controlled by Key Management Personnel	Individuals exercising significant influence over the enterprise	Total
Contribution in equity share capital received	-	119.82 (80.00)	-	119.82 (80.00)
Sale of goods	-	14.42 (0.74)	-	14.42 (0.74)
Purchase of goods	-	369.31 (404.31)	-	369.31 (404.31)
Purchase of Fixed Assets	-	- (55.57)	-	- (55.57)
Rent Paid	-	6.61 (15.74)	-	6.61 (15.74)
Rent Received	-	- (0.23)	-	- (0.23)
Commission received	-	0.53 -	-	0.53 -
Commission paid/provided	-	0.79 -	-	0.79 -
Services received	-	8.05 -	-	8.05 -
Services rendered	-	2.39 -	-	2.39 -
Reimbursement of expenses	-	4.59 -	-	4.59 -
Interest Paid/Provided	-	20.40 (4.16)	-	20.40 (4.16)
Acceptance of Unsecured Loans/ECB	-	9.00 (90.50)	-	9.00 (90.50)
Repayment of Unsecured Loans/ECB	-	37.00 -	-	37.00 -
Dividends paid	11.75 (10.77)	- -	19.40 (20.99)	31.15 (31.76)
Remuneration	152.62 (131.15)	- -	124.92 (81.32)	277.54 (212.47)
Outstanding balance (Cr.)	-	415.76 (404.98)	-	415.76 (404.98)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

c) Disclosure in respect of material transactions with related parties

(₹ in Lacs)

Nature of transactions	Name of the related party	YEAR ENDED 31st MARCH, 2014	YEAR ENDED 31st MARCH, 2013
Contribution in equity share capital received	Hannecard N.V.	44.93	30.00
	Mitex GMBH	44.93	30.00
	Unimark International Private Limited	29.96	20.00
Sale of goods	Re S.p.A Controlli Industriali	14.42	0.74
Purchase of goods	Re S.p.A Controlli Industriali	332.74	384.69
	Hannecard N.V.	29.97	12.49
	Mitex GMBH	6.47	7.13
	Gomplast S.A.	0.12	-
Purchase of Fixed Assets	Hannecard N.V.	-	27.27
	Mitex GMBH	-	25.03
	H&M ROLLERS TECHNOLOGIES (PTY)LTD-SA	-	3.26
Rent Paid	Stylus Infrastructure Pvt. Ltd	6.45	8.54
	Hira Corporation	6.00	7.20
Commission paid/provided	Unimark Metallurgical Pvt Ltd	0.79	-
Commission received	Hannecard & Mitex Italia SRL	0.53	-
Services rendered	Re S.p.A Controlli Industriali	2.39	-
Services received	Hannecard N.V.	5.83	-
	Mitex GMBH	2.23	-
Interest Paid /Provided	Hannecard N.V.	8.41	1.23
	Mitex GMBH	8.41	1.23
	Atul M. Vinchhi	0.05	-
	Unimark International Private Limited	3.41	1.70
Acceptance of Unsecured Loans/ECB	Hannecard N.V.	-	31.25
	Mitex GMBH	-	31.25
	Atul M. Vinchhi	5.00	-
	Unimark International Private Limited	4.00	28.00
Unsecured Loans repaid	Unimark International Private Limited	32.00	-
	Atul M. Vinchhi	5.00	-
Reimbursement of expenses made	Hannecard N.V.	1.05	-
	Unimark Metallurgical Pvt Ltd	0.04	-
Dividends paid	Mr. Ambar J. Patel	3.66	3.66
	Mr. Atul Vinchhi	4.57	4.57
	Mr. G.V. Bhavsar	4.75	4.75
	Mr. Vitthaldas H. Patel	12.10	3.66
Remuneration	Mr. Ambar J. Patel	44.81	38.61
	Mr. Roshan Shah	44.29	38.16
	Mr. Narendra Patil	44.29	38.16
	Mr. Atul Vinchhi	44.29	38.16
	Mr. G.V. Bhavsar	44.29	38.16
	Mr. Vitthaldas H. Patel	30.00	-
	Mr. Shailesh K. Shah	15.25	12.62
Outstanding balance (Cr.)	Shilp Ultratech Private Limited	-	14.59
	Re S.p.A Controlli Industriali	304.41	279.78
	Hannecard N.V.	64.58	43.94
	Mitex GMBH	43.28	38.67
	Unimark International Private Limited	2.87	28.00
	Gomplast S.A.	0.12	-
Unimark Metallurgical Pvt Ltd	0.49	-	

34 SEGMENT REPORTING

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

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: (₹ in lacs)

(Figures in brackets represent previous year numbers)

Particulars	Engraved Copper Roller	Wind Mill	Automation Equipments	Others	Unallocated	Total
Sales	5,147.50 (5,187.93)	214.70 (187.00)	616.38 (848.53)	277.26 (848.53)	- -	6,255.84 (7,071.99)
Less: Inter segment sales	- -	214.70 (187.00)	- -	- -	- -	214.70 (187.00)
Segment revenue	5,147.50 (5,187.93)	- -	616.38 (848.53)	277.26 (848.53)	- -	6,041.14 (6,884.99)
Segment results	714.71 (818.05)	117.49 (114.89)	(65.61) (5.68)	(59.59) (22.13)	- -	707.00 (960.75)
Assets	4,592.89 (4,080.19)	1,149.34 (1,182.35)	405.85 (385.99)	705.79 (720.10)	1,404.23 (1,340.75)	8,258.10 (7,709.38)
Liabilities	611.27 (654.65)	12.66 (1.58)	403.89 (380.11)	716.12 (510.07)	2,519.72 (2,330.80)	4,263.66 (3,877.20)

35 FINANCIAL AND DERIVATIVE INSTRUMENTS

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

Particulars		Foreign Currency	Indian Currency Equivalent (₹ in Lacs)
Amounts receivable in foreign currency	AS AT 31ST MARCH, 2014	USD 76200.63	45.66
	AS AT 31ST MARCH, 2013	USD 18092.46 EURO 6010.72	9.82 4.18
Amounts payable in foreign currency	AS AT 31ST MARCH, 2014	USD 2600.00 EURO 404766.32 CHF 9223.00	1.56 371.04 6.26
	AS AT 31ST MARCH, 2013	USD 21290.00 EURO 557896.07 ZAR 256184.03 CHF 50566.26	11.56 387.71 15.04 28.82
Amounts payable in foreign currency against Foreign Loan	AS AT 31ST MARCH, 2014	Euro 91200.00	75.41
	AS AT 31ST MARCH, 2013	EURO 91200.00	63.34

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 proportionate share of unaudited assets, liabilities, contingent liabilities and capital commitments of the joint venture included in the consolidated financial statements are given below:

(Figures in brackets represent previous year numbers)

Name of companies and country of incorporation	% of shareholding	Amount of interest based on accounts for the year ended 31 March, 2014 (₹ in lacs)			
		Assets	Liabilities	Capital commitments	Contingent Liability
HMSU Rollers (India) Pvt. Ltd, India	20%	500.39 (430.37)	396.04 (333.85)	50.00 (60.00)	- -

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)

Name of the Company	Relationship	As at 31st March, 2014	Maximum Balance outstanding during the year
HMSU Rollers (India) Pvt. Ltd, India (Audited)	Joint Venture	100.00 (140.00)	168.00 (140.00)

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.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Place : Ahmedabad

Date : 1st May, 2014

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

Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Roshan H. Shah

Executive Director

Chandraprakash Devpura

Chief Financial Officer

Pragnesh Darji

Company Secretary

Place: Rakanpur

Date : 1st May, 2014

**SHILP GRAVURES LIMITED**

(CIN: L27100GJ1993PLC020552)

ATTENDANCE SLIP

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

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 : _____

Address of the Shareholder : _____

I hereby record my presence at the 21st Annual General Meeting of the Company held on Wednesday, 03rd September, 2014, at 05.00 p.m. at the registered office of the Company.

* Applicable for investors holding shares in electronic form

Signature of Shareholder/ proxy

**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 21st Annual General Meeting of the Company, to be held on Wednesday, the 03rd September, 2014 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
	ORDINARY BUSINESS		
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2014		
2	Ordinary Resolution for declaration of dividend @12.00% i.e. ₹ 1.20 per share on fully paid up Equity Shares of ₹ 10 each for the year 2013-14		
3	Ordinary Resolution for re-appointment of Mr. Vitthaldas Patel as a Director of the Company, who retires by rotation		
4	Ordinary Resolution for appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company and fixing their remuneration		
	SPECIAL BUSINESS		
5	Ordinary Resolution for appointment of Mr. Chinubhai Shah as an Independent Director of the Company		
6	Ordinary Resolution for appointment of Mr. Shailesh Desai as an Independent Director of the Company		
7	Ordinary Resolution for appointment of Dr. Navin Patel as an Independent Director of the Company		
8	Ordinary Resolution for appointment of Mr. Rajendra Shah as an Independent Director of the Company		
9	Ordinary Resolution for appointment of Mr. Jainand Vyas as an Independent Director of the Company		
10	Ordinary Resolution for appointment of Mr. Nipam Shah as an Independent Director of the Company		
11	Ordinary Resolution for appointment of Mrs. Monica Kanuga as a Director of the Company		
12	Special Resolution for Revision in term of appointment of Mr. Gajanan Bhavsar, Whole – Time Director of the Company, so as to make his office liable to retire by rotation		
13	Special Resolution for Revision in term of appointment of Mr. Roshan Shah, , Whole – Time Director (Marketing) of the Company, so as to make his office liable to retire by rotation		
14	Special Resolution for approval of Transactions with Related Party u/s 188 of the Companies Act, 2013		

Signed this _____ day of _____, 2014.

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))

SHILP GRAVURES LIMITED

(CIN: L27100GJ1993PLC020552)

BALLOT PAPER

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

BALLOT PAPER
To cast your Vote For/ Against the resolutions proposed to be passed at the 21st Annual General Meeting

Sr No.	Particulars	Details
1	Name of the First Named Shareholder (In Block Letters)	
2	Postal Address	
3	Registered Folio No. / Client ID No.* (* Applicable to investors holding shares in dematerialized form)	
4	Class of Shares	

I hereby exercise my vote in respect of Ordinary / Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Resolution No.	Resolutions	No. of shares held by me	I assent to the resolution	I dissent to the resolution
	ORDINARY BUSINESS			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2014			
2	Ordinary Resolution for declaration of dividend @12.00% i.e. ₹ 1.20 per share on fully paid up Equity Shares of ₹ 10 each for the year 2013-14			
3	Ordinary Resolution for re-appointment of Mr. Vitthal Das Patel as a Director of the Company, who retires by rotation			
4	Ordinary Resolution for appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company and fixing their remuneration			
	SPECIAL BUSINESS			
5	Ordinary Resolution for appointment of Mr. Chinubhai Shah as an Independent Director of the Company			
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14	Special Resolution for approval of Transactions with Related Party u/s 188 of the Companies Act, 2013			

Place : _____

Date : _____

(Signature of Shareholder: _____)



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