

19th Annual Report 2011-12

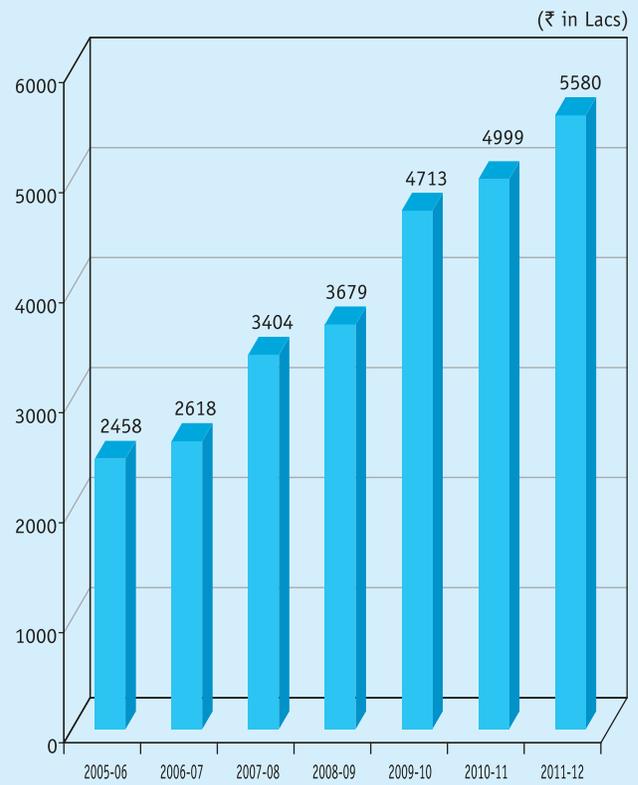


SHILPTM
GRAVURES
LIMITED

GROSS ASSETS



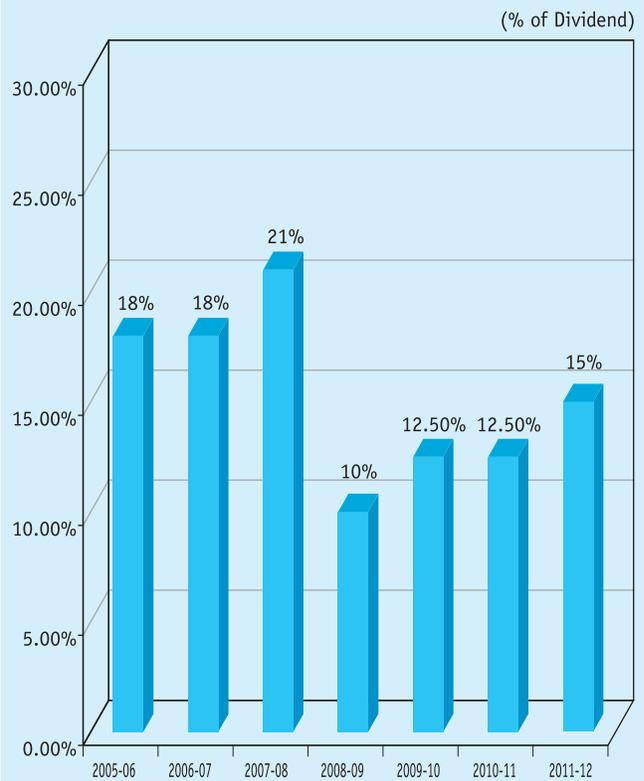
TURNOVER



SHAREHOLDER'S FUND



DIVIDEND DISTRIBUTION



CORPORATE INFORMATION

BOARD OF DIRECTORS

Vithaldas H. Patel	<i>Non - Executive Director & Chairman (as Chairman w.e.f. 08.08.2011)</i>
Ambar J. Patel	<i>Managing Director</i>
Roshan H. Shah	<i>Whole - Time Director</i>
G. V. Bhavsar	<i>Whole - Time Director</i>
Shailesh C. Desai	<i>Independent Director</i>
Chinubhai R. Shah	<i>Independent Director</i>
Nipam R. Shah	<i>Independent Director</i>
Dr. Navin P. Patel	<i>Independent Director</i>
Rajendra S. Shah	<i>Independent Director</i>
Jainand G. Vyas	<i>Independent Director</i>
Dr. Baldev V. Patel	<i>Chairman (Ceased w.e.f. 08.08.2011)</i>

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

COMPANY SECRETARY

Pragnesh S. Darji

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
The Royal Bank of Scotland NV
Citibank N.A.
ICICI Bank
Axis Bank
Bank of Baroda

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NOTICE

NOTICE is hereby given that, the **19th ANNUAL GENERAL MEETING** of the members of **SHILP GRAVURES LIMITED** will be held on Saturday, the **04th day of August, 2012** 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, 2012 and Statement of Profit & Loss Account for the year ended on that date together with Report of the Directors and Auditors thereon.
2. To declare dividend, 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 a Director in place of Mr. Shailesh C. Desai, who retires by rotation and being eligible offers himself for re-appointment.
5. 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 M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors and reasonable out-of-pocket expenses actually incurred by them in connection with the audit.”

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Nipam R. Shah, who was appointed as an Additional Director (Professional) of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 114 of 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 under section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.”

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

“RESOLVED THAT in continuation with the earlier Resolution passed by the shareholders at the 17th Annual General Meeting held on 07th August, 2010 and subject to the provisions of Section 198, 309, 310 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and as recommended by Remuneration Committee and approved by Board of Directors and Central Government consent of the Company be and is hereby accorded that the Remuneration payable to **Mr. Ambar Patel, Managing Director**, for a period of three years commencing from 1st July, 2012 shall be according to the terms and conditions as given below for the remaining of his tenure as Managing Director:

1. **Period:** From 1st July, 2012 to 30th June, 2015.
2. **Remuneration:** Mr. Ambar Patel shall be entitled to following remuneration, benefits and perquisites as may be fixed by Board of Directors from time to time, subject to the ceiling limits laid down in Schedule XIII to the Companies Act, 1956.
 - (a) Basic Salary: ₹ 2,71,060/- per month.
 - (b) Perquisites & Allowances: In addition to the salary and bonus payable, Mr. Ambar Patel shall also be entitled to perquisites and allowances such as House Rent Allowance or furnished accommodation in lieu thereof, Education Allowance, Leave Travel Allowance, Medical Insurance, Gratuity, Contribution to Provident Fund and Superannuation Fund as per rules of the Company or as may be agreed to by the Board and the appointee.

He shall also be entitled to Annual Incentive / Annual Pay after taking in to account financial position of the Company, qualification, experience and past performance.

Mr. Ambar Patel shall be entitled to the said salary, perquisites and other allowances, mentioned above as the minimum remuneration, subject to the limits prescribed in (B) of Section II of part II of Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

3. **Other Terms:**

- i) The Appointee shall not be liable to retire by rotation in terms of Section 255 of the Act and Article 151 of the Articles of Association of the Company.
- ii) The Appointee shall not be entitled for sitting fees for attending the meetings of the Board and Committees thereof.
- iii) The Agreement may be terminated by either party, giving the other party three months' notice in writing of such termination or the Company paying three months' salary in lieu of the notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the remuneration within the provisions of Schedule XIII of the Companies Act, 1956, to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and to do all

such acts, deeds, things and execute all such documents, as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED THAT in continuation with the earlier Resolution passed by the shareholders at the 17th Annual General Meeting held on 07th August, 2010 and subject to the provisions of Section 198, 309,310 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and as recommended by Remuneration Committee and approved by Board of Directors and Central Government consent of the Company be and is hereby accorded that the Remuneration payable to **Mr. Roshan Shah, Wholetime Director (Marketing)**, for a period of three years commencing from 1st July, 2012 shall be according to the terms and conditions as given below for the remaining of his tenure as Wholetime Director (Marketing):

1. Period: From 1st July, 2012 to 30th June, 2015.

2. Remuneration: Mr. Roshan Shah shall be entitled to following remuneration, benefits and perquisites as may be fixed by Board of Directors from time to time, subject to the ceiling limits laid down in Section 198, 309 and Schedule XIII to the Companies Act, 1956.

(a) Basic Salary: ₹ 2,67,727/- per month.

(b) Perquisites & Allowances: In addition to the salary and bonus payable, Mr. Roshan Shah shall also be entitled to perquisites and allowances such as House Rent Allowance, Education Allowance, Leave Travel Allowance, Medical Insurance, Gratuity, Contribution to Provident Fund and Superannuation Fund as per rules of the Company or as may be agreed to by the Board and the appointee.

He shall also be entitled to Annual Incentive / Annual Pay after taking in to account financial position of the Company, qualification, experience and past performance.

Mr. Roshan Shah shall be entitled to the said salary, perquisites and other allowances, mentioned above as the minimum remuneration, subject to the limits prescribed in (B) of Section II of part II of Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

3. Other Terms:

i) The Appointee shall not be liable to retire by rotation in terms of Section 255 of the Act and Article 151 of the Articles of Association of the Company.

ii) The Appointee shall not be entitled for sitting fees for attending the meetings of the Board and Committees thereof.

iii) The Agreement may be terminated by either party, giving the other party three months’ notice in writing of such termination or the Company paying three months’ salary in lieu of the notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the remuneration within the provisions of Schedule XIII of the Companies Act, 1956, to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and to do all such acts, deeds, things and execute all such documents, as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED THAT in continuation with the earlier Resolution passed by the shareholders at the 17th Annual General Meeting held on 07th August, 2010 and subject to the provisions of Section 198, 309,310 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and as recommended by Remuneration Committee and approved by Board of Directors and Central Government consent of the Company be and is hereby accorded that the Remuneration payable to **Mr. G. V. Bhavsar, Wholetime Director**, for a period of three years commencing from 1st July, 2012 shall be according to the terms and conditions as given below for the remaining of his tenure as Wholetime Director:

1. Period: From 1st July, 2012 to 30th June, 2015.

2. Remuneration: Mr. G. V. Bhavsar shall be entitled to following remuneration, benefits and perquisites as may be fixed by Board of Directors from time to time, subject to the ceiling limits laid down Schedule XIII to the Companies Act, 1956.

(a) Basic Salary: ₹ 2,67,727/- per month.

(b) Perquisites & Allowances: In addition to the salary and bonus payable, Mr. G. V. Bhavsar shall also be entitled to perquisites and allowances such as House Rent Allowance, Education Allowance, Leave Travel Allowance, Medical Insurance, Gratuity, Contribution to Provident Fund and Superannuation Fund as per rules of the Company or as may be agreed to by the Board and the appointee.

He shall also be entitled to Annual Incentive / Annual Pay after taking in to account financial position of the Company, qualification, experience and past performance.

Mr. G. V. Bhavsar shall be entitled to the said salary, perquisites and other allowances, mentioned above as the minimum remuneration, subject to the limits prescribed in (B) of Section II of part II of Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

3. Other Terms:

- i) The Appointee shall not be liable to retire by rotation in terms of Section 255 of the Act and Article 151 of the Articles of Association of the Company.
- ii) The Appointee shall not be entitled for sitting fees for attending the meetings of the Board and Committees thereof.
- iii) The Agreement may be terminated by either party, giving the other party three months' notice in writing of such termination or the Company paying three months' salary in lieu of the notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the remuneration within the provisions of Schedule XIII of the Companies Act, 1956, to the extent the Board of Directors may consider appropriate and as may be permitted or authorized in accordance with any provisions under the Companies Act, 1956 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and subject to such sanctions and permissions as may be necessary and to do all such acts, deeds, things and execute all such documents, as may be considered necessary, desirable or expedient to give effect to this resolution."

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

RESOLVED THAT pursuant to the provision of Section 309(4) and any other relevant provisions of The Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and subject to approval of the Central Government the consent of the Company be and is hereby accorded to the payment of remuneration of ₹ 15,00,000/- to Mr. Vithaldas H. Patel per annum for a period of 3 (Three) years commencing from the current financial year.

RESOLVED FURTHER THAT the Annual Remuneration to Directors, though payable annually, shall accrue on day to day basis.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration and other conditions in accordance with or as required by the Central Government while granting the approval, provided the same is within the limits approved hereinabove.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to comply, with the necessary formalities in this regard including filing of requisite forms, making of necessary application to concerned authorities, providing required information, representing on behalf of the Company, Sub-delegating the powers delegated herein to other officers or professionals and do all other acts and deeds as may be deemed essential for the purpose of giving effect to aforesaid resolution."

By Order of the Board
For Shilp Gravures Limited

Place : Rakanpur
Date : 28th April, 2012

Pragnesh Darji
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th day July, 2012 to 04th day August, 2012 (both days inclusive) for the purpose of Dividend, if declared, at the Annual General Meeting.
3. Subject to provisions of Section 206A of the Companies Act, 1956, dividend if declared at the meeting, will be payable on or after 04th day of August, 2012 to those members whose names appear on the Register of Members as on 27th day of July, 2012.
4. 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
5. (a) The Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, subject to availability of such facility at the respective location of such shareholders. Members are encouraged to utilize the Electronic Clearing System (ECS)/ National Electronic Clearing Service (NECS) for receiving dividends.
(b) Members holding Shares in Electronic Mode may please intimate their Depository participants of changes, if any, are made in the Bank account details.
(c) Members holding shares in physical form are requested to send their Bank Account Particulars for printing on Dividend Instruments to ensure that there is no fraudulent encashment to Registrar and Share Transfer Agents.
(d) An ECS Mandate form is annexed at the end of annual report. This may be filled in and submitted at an earliest date so that the Company can extend the facility for payment of dividend.
(e) All those Shareholders who are holding shares in physical mode are requested to dematerialize their shares for hassle free record and smooth transactions of shares.

- (f) In continuation with Green Initiative by Ministry of Corporate Affairs, all shareholders holding shares in electronic mode are requested to update their Email Ids with respective Depository Participants and those who held the shares in physical mode may update their Email Ids by writing a letter addressing Company Secretary. This will help us in speedy communication with all the shareholders and saving the Environment.
6. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, amount of dividend for the year ended on 31st March, 2004, were deposited with Investors' Education and Protection Fund (IEPF) Account of the Central Government on 07/10/2011.
- Shareholders, who have not encashed Dividend Instruments for the year ended on 31st March, 2005, are requested to make the claims to the Company Secretary at the Registered Office of the Company on or before **08th October, 2012** after which no claims shall lie against the Company. Therefore, the shareholders are advised to claim such amounts immediately.
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting, so that the answers may be made readily available at the meeting.
8. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of directors being reappointed are annexed herewith.
9. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

Mr. Nipam R. Shah was appointed as Additional Director (Professional Category) of the Company on 05th November, 2011 by the Board of Directors of the Company and holds office up to the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company.

Brief resume of Mr. Nipam R. Shah is given in the Annexure to this Notice. Keeping in view the rich expertise and knowledge of Mr. Nipam R. Shah, the Board considers it desirable that the Company should continue to avail his service.

Notice under Section 257 of the said Act has been received from members along with the requisite deposit amount signifying their intention to propose the appointment of Mr. Nipam R. Shah as Director of the Company.

The Board recommends the Resolution as set out at Item Nos. 6 of the Notice for approval by the Members.

None of the Directors of the Company, except Mr. Nipam R. Shah is in any way concerned or interested in the said resolution.

Item No. 7, 8 and 9

At the 17th Annual General Meeting held on 07th August, 2010, shareholders had approved re-appointment of Mr. Ambar Patel as Managing Director, Mr. Roshan Shah as Whole - Time Director and Mr. Gajanan V. Bhavsar as Whole - Time Director (hereinafter referred to as "*Executive Directors*") for a period of Two years w.e.f. 1st July 2010 upon the terms and conditions including remuneration as set out in the agreement executed with them. The remuneration payable to Mr. Ambar Patel, Mr. Roshan Shah and Mr. G. V. Bhavsar was not to exceed ₹ 3,00,000/- per month or ₹36,00,000 p.a. according to the relevant category of Schedule XIII of the Companies Act, 1956 and as mentioned in the agreement executed with them.

The Board of Directors, at its meeting held on 08th May, 2010 after considering the recommendations of Remuneration committee meeting held on the same day, had approved remuneration payable to *Executive Directors* in excess of limits prescribed under relevant sections of the Companies Act, 1956 subject to Central Government's approval and Shareholder's approval in the General Meeting. The Central Government however has given approval for payment of remuneration within limits prescribed under section 198, 309 w.r.t. Schedule XIII of the Companies Act, 1956.

In view of the above order of the Central Government's, the proposed revision to the remuneration payable to *Executive Directors* stands altered. The revised remuneration was submitted before this meeting for approval. Also, although the appointment was for 3 years, the remuneration approved was for 2 years only which expires on 30th June, 2012. The resolutions no 7, 8 and 9 of the Notice is therefore put before the Members for the approval.

The Draft Agreement to be entered into by the Company with the Executive Directors is available for inspection at the Registered Office of the Company during Business Hours on any working day.

This may also be treated as the requisite abstract and memorandum under section 302 of the Companies Act, 1956. None of the other directors except Mr. Ambar Patel, Mr. Roshan Shah and Mr. Gajanan V. Bhavsar are deemed to be interested in the above said resolution.

Item No. 10

Mr. Vithaldas H. Patel has contributed significantly since inception of the Company and has been instrumental in achieving the success and prosperity, which the company has recorded on date. The Company has benefited immensely on account of association of the said Director. Considering the efforts put in by the said Director the remuneration offered is definitely not commensurate. In order to bring the remuneration of Mr. Vithaldas H. Patel commensurate with increased efforts put in by them the Board of Directors of the Company approved subject to the approval of Members of the Company and other applicable statutory approvals, the increase in payment of remuneration to ₹ 15,00,000/- per annum for a period of 3 (Three) years commencing from the current financial year.

The Directors recommend the resolution for approval.

Except Mr. Vithaldas H. Patel, who is interested in the said resolution to the extent of remuneration payable to them in accordance with the proposed resolution, no other Director is interested in the said resolution.

ANNEXURE TO NOTICE:

Details of Directors seeking Re-appointment at the Annual General Meeting to be held on 04th August, 2012 (Pursuant to Clause 49 of the Listing Agreement):

Name	Vitthalaldas H. Patel	Shailesh C. Desai	Nipam R. Shah
Date of Birth	18.01.1925	24.12.1953	16.09.1961
Date of Appointment	29.10.1993	02.12.2003	05.11.2011
Qualifications	Matriculation	B.Com, LL.B.	Chartered Accountant
Expertise in specific Functional Area	Experience of more than 50 years.Mr. Vitthalaldas H. 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 trade organisations.	Mr. Shailesh C. Desai is a leading tax advocate practicing in the area of Direct Taxes as well as Sales Tax in Ahmedabad. Mr. Desai has an experience of more than 30 years. He was a president of Income Tax Bar Association, Ahmedabad and also associated with other professional organisations.	Mr. Nipam Shah enjoys more than 25 years of experience in a wide variety of areas such as Indian and International Taxation, Foreign Direct Investment, Cross Border Transactions, Corporate Restructuring, Capital funding and Business Strategy Advisory Services. He has advised a large number of corporate and business houses across multiple sectors such as such as Engineering, Textile, Chemicals, Pharmaceutical, Real Estate, Infrastructure, Power Generation, Agro & Food processing, Retail, Banking, Financial Services, Insurance and Information Technology.
Directorships held in other public Companies(Excluding foreign and private Companies)	Nil	Nil	Nil
Committee Memberships/ Chairmanship in other public Companies	Nil	Nil	Nil
Shareholding of Non – Executive Directors	801502 Equity Shares of ₹ 10/- each.	9000 Equity Shares of ₹ 10/- each.	Nil
Relationships between directors inter-se	N.A.	N.A.	N.A.

DIRECTORS' REPORT:

Your Directors have pleasure in presenting the 19th Director's Report along with the Audited Accounts of the Company for the year ended on 31st March, 2012.

1. FINANCIAL RESULTS:

(a) Standalone Financial Results of Shilp Gravures Limited

(₹ in Lacs)

Particulars	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
Revenue from Operations and Other Income	5606.36	5079.82
Profit Before Depreciation and Amortisation expenses, Finance Cost and Tax	1518.37	1331.20
Less : Depreciation and Amortisation expenses	579.32	632.04
Finance Cost	200.65	233.96
Profit before Tax	738.40	465.20
Less : Current tax expense for current year	165.56	170.83
Deferred tax	45.90	(39.38)
Net Profit after Tax	526.94	333.75
Balance Brought Forward	1606.62	1395.71
Amount available for appropriations	2133.56	1729.46
Appropriation:		
General Reserves	200.00	33.50
Proposed Dividend	92.24	76.87
Corporate Dividend Tax	14.96	12.47
Balance Carried to Balance Sheet	1826.36	1606.62

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

(₹ in Lacs)

Particulars	For the year ended on 31st March, 2012
Revenue from Operations and Other Income	5728.93
Profit Before Depreciation and Amortisation expenses, Finance Cost and Tax	1524.64
Less : Depreciation and Amortisation expenses	580.02
Finance Cost	200.83
Profit before Tax	743.79
Less : Current tax expense for current year	169.32
Deferred tax	46.49
Net Profit after Tax	527.98
Minority Interest	3.35
Profit Attributable to Shareholders of the Company	524.63
Balance Brought Forward	1606.62
Amount available for appropriations	2131.25
Appropriation:	
General Reserves	200.00
Proposed Dividend	92.24
Corporate Dividend Tax	14.96
Balance Carried to Balance Sheet	1824.05

2. RESULTS OF OPERATIONS:

Standalone Accounts

- Total Revenue during the financial year 2011-12 increased to 5606.36 Lacs from ₹ 5079.82 Lacs during the previous year, a growth of 10.37%.
- Profit after Tax was ₹ 526.94 Lacs during the Financial year 2011-12 as compared to ₹ 333.75 during the previous year, an increase by 57.88%
- Earnings Per Share was ₹ 8.57 during the Financial year 2011-12 as compared to ₹ 5.43 during the previous year, as increase by 57.88 %

Consolidated Accounts

- Consolidated total Revenue during the financial year 2011-12 comes to ₹ 5728.93 Lacs.

3. APPROPRIATIONS & RESERVES:

Dividend

Taking into consideration the profits for the financial year 2011-12 and a positive outlook for the future. The Board of Directors ("the Board") is pleased to recommend a final dividend of ₹ 1.50/- per share, being 15.00% 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 2011-12. The proposed dividend would absorb ₹ 107.20 lacs including corporate dividend tax.

Transfer to Reserves

It is proposed to transfer a sum of ₹ 200.00 Lacs to the General Reserve being 37.88% of the Current year's profit in accordance with Companies (transfer of profits to Reserves) Rules, 1975.

4. SUBSIDIARY:

During the year, your company has entered into Joint Venture Agreement with Re S.p.A. Controlli Industriali; an Italy based Company and incorporated a new Joint Venture Company in the name of "ReShilp Equipments (India) Private Limited" with an object of manufacturing all types of Web Control & Reel Management systems and other related plants. Your Company holds 51.00% stake in the New Joint Venture Company

As on 31st March, 2012, Company has only one Subsidiary in the name of "ReShilp Equipments (India) Private Limited". The Board of Directors of the Company regularly reviews the affairs of this Subsidiary.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet and Statement of Profit and Loss (referred to as Financial Statements) of our Subsidiary. The Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/2011 dated 08th February, 2011 has provided an exemption to Companies from complying with Section 212, provided such Companies Publish the audited consolidated financial statement in the Annual Report. Accordingly, the Annual Report 2011-12 does not contain the Financial Statements of our Subsidiary. As directed under said circular, information in aggregate in respect of subsidiary i.e. (a) Capital, (b) Reserves, (c), Total Assets, (d) Total Liabilities, (e) Details of Investments (except in case of Subsidiaries), (f) Turnover, (g) Profit before Taxation and (j) Proposed

Dividend for subsidiary, if any, has been disclosed in brief abstract forming part of the Consolidated Balance Sheet.

Further, the Audited Accounts and related detailed information of our subsidiary will be made available to shareholders seeking such information at any point of time. The annual Accounts of the Subsidiary Company will also be available for inspection by any Shareholder at the Registered Office of the Company and Registered office of the Subsidiary company during business hours. The same will be hosted on the website of your Company, www.shilpgravures.com.

5. JOINT VENTURE:

During the year, your company has entered into Joint Venture Agreement collectively with Unimark International Pvt. Ltd, a Kolkata based Company, Mitex Gummifabrik Hans Knott GmbH, a Germany based Company and Hannecard, a Belgium based Company and incorporated a new Joint Venture Company in the name of "HMSU Rollers (India) Private Limited" with an object of manufacturing all types of Rubber Rollers and Poly Urethane Rollers used for printing, converting, textiles, steel, aluminium, copper, polymers, paper and packaging industries. Your Company holds 20% stake in the New Joint Venture Company.

6. DEPOSITS:

The cumulative deposits accepted by your Company as at 31st March, 2012 were ₹ 2.50 Lacs.

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. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Management Discussion and Analysis Report is included in the Annual Report as separate section.

11. CORPORATE GOVERNANCE REPORT:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Report on Corporate Governance and a certificate from the Statutory Auditors of the Company confirming compliance of the same has been included in the Annual Report as separate section.

12. DIRECTORS:

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company, Mr. Vitthaldas H. Patel and Mr. Shailesh C. Desai are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re - appointment.

The Notice convening Annual General Meeting includes resolutions for re - appointment of Mr. Vitthaldas H. Patel and Mr. Shailesh C. Desai along with their brief details.

13. AUDITORS:

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

Your Company's Statutory Auditor, M/s Deloitte, Haskins & Sells, Chartered Accountants, Ahmedabad, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received written certificate from the Auditors stating that their re-appointment, if made, will be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

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 2011-2012 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. 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 : 28th April, 2012

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 2012.

A. CONSERVATION OF ENERGY:

1) Energy conservation measures taken:

- i) On account of energy audit carried out by recognized agency in the previous year and due to efforts of internal staff, Company has been benefited in the cost of consumption of Electricity units of 2011-12 as against 2010-11.
- ii) The Company has installed new Wind Mill during the year with a capacity of 0.750 MW, and two windmills of 0.250 MW each in the state of Gujarat for captive consumption of units generated. During the year 1684110 units were generated as against 1278565 units in the previous year.
- iii) 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.

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

- i) Resulted in reduction in consumption of energy and subsequently reduced cost of production of goods.
- ii) As we have maintained power factor at 0.99, we were eligible for maximum rebate from the State Power Supply Company. During the year 3611300 Units of Electricity were purchased and 48160 Units were generated through DG Set, at a cost of ₹ 9.66 lacs. Best efforts are being made in 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

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

Place : Rakanpur
Date : 28th April, 2012

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMY OVERVIEW:

The financial crisis that shook the pillars of world economy is on the path of recovery. Global growth, after experiencing a sharp downturn in 2008-2009, has catapulted back to recovery phase with the global trade gradually picking up. In the wake of such recovery, prospects of developing countries are for robust recovery in the times ahead.

India, over a period of the year has posted significant recovery in terms of growth figures. GDP growth rate is around 8.2% for the fourth quarter of the financial year 2011-2012. Manufacturing sector registered a growth of 8.6% in 2010-2011 to 8.9% in 2011-2012. The Gravure industry in which your Company operates, shall continue to grow at a steady pace since the basic needs of packaging shall remain.

High inflation especially high food inflation of 6.89% has put consumers spending under pressure.

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 Supreme Court has banned usage of plastic material for packaging of Gutkha, which contributed to more than 30% of the packaging material requirement of the Packaging Industry.

The doubling of Price of Polyester Film during the year has put the margins and the Working Capital requirements for our customers under pressure.

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

OPPORTUNITIES:

Your Company is a leading supplier for gravure rollers for Packaging industry, especially flexible packaging. The packaging industry is expected to grow at a rate of 10% - 12% annually. Also, India is one of the major producers as well as consumer for flexible/ plastic packaging in the world. Keeping this in mind, potential for the growth of packaging industry is enormous.

With the plastic packaging becoming threat for environment, more products will be packed in paper related structure. For printing on paper laser engraving is the more suitable technology as compared to other conventional technology. Hence, your Company is optimistic on the growth prospects in this particular segment.

THREATS, RISKS & CONCERNS:

Fluctuations in prices of raw material such as steel, copper etc. keep the margins under pressure. The exchange rate fluctuations have further increased the inputs costs. Also, being in the market, competition serves as one of the threats to the business operation of the Company.

Your Company endeavors to address these threats by monitoring, checking and discussing and gaining industry specialization and expertise.

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:

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

2. BOARD OF DIRECTORS:

(a) Composition of Board of Directors:

Shilp Gravures Limited has an optimum combination of executive and non-executive directors on its Board. As at March 31, 2012, the Company's Board of Directors is 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 Board is a Non-Executive Director.

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 companies in which he is a director. The Directors are qualified and experienced professionals in business, finance, law and management.

(b) Board Meetings:

During the year under review, 4 (Four) Board Meetings were held on 14th May, 2011, 06th August, 2011, 05th November, 2011 and 30th January, 2012. The Company's last Annual General Meeting was held on 06th August, 2011. 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 to take informed decisions.

The Composition of the Board, attendance at Board Meetings (BM) held during the year and at the last Annual General Meeting (AGM), numbers of Directorships and Memberships of Committees as on March 31, 2012 are as follow:

Name of Director	Category of Director	Board Meeting	Last AGM held on August 6, 2011	Other Directorships	Committee Memberships	Committee Chairmanships
Dr. Baldev Patel*	NED	2/4	Yes	N.A.	N.A.	N.A.
Mr. Ambar Patel	MD	4/4	Yes	Nil	Nil	Nil
Mr. Roshan Shah	WTD	3/4	Yes	Nil	Nil	Nil
Mr. G. V. Bhavsar	WTD	4/4	Yes	Nil	Nil	Nil
Mr. Vitthal Das Patel	NED	1/4	No	Nil	Nil	Nil
Mr. Nipam R. Shah**	NED (P)	1/4	Yes	Nil	Nil	Nil
Mr. Shailesh Desai	NED (I)	4/4	Yes	Nil	Nil	Nil
Mr. Chinubhai Shah	NED (I)	4/4	Yes	13	5	3
Mr. Rajendra Shah	NED (I)	1/4	Yes	6	2	2
Dr. Navin Patel	NED (I)	3/4	Yes	Nil	Nil	Nil
Mr. Jainand Vyas	NED (I)	4/4	Yes	Nil	Nil	Nil

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

* Ceased to be Director w.e.f. 08th August, 2011.

** Appointed as Non-Executive Director (Professional) w.e.f. 05.11.2011

Other Directorship does not include Directorships, in Private, Foreign and Section 25 Companies.

The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Shareholders'/ Investors' Grievance Committee only.

(c) Details of Directors being re-appointed:

According to Articles of Association, one third of the directors retires by rotation and if eligible, offers themselves for re-appointment at the Annual General Meeting. As per Article 126 of Articles of Association, Mr. Vitthal Das H. Patel, and Mr. Shailesh C. Desai will retire at the ensuing Annual General Meeting & have offered themselves for reappointment. Detailed resume of the directors are provided in the Notice for the Annual General Meeting.

3. COMMITTEES OF THE BOARD:

(A) Audit Committee:

I) Composition:

The Audit Committee comprises of 2 (two) Independent Non- Executive Directors and 1 (one) Executive Director. The Company Secretary is Secretary to the Committee. The Committee comprises of the following:

Composition	Designation	Category
Mr. Chinubhai Shah	Chairman	Non - Executive & Independent Director
Mr. Shailesh Desai	Member	Non - Executive & Independent Director
Mr. Ambar Patel	Member	Managing Director

The Chairman of the Committee was present at the Annual General Meeting held on 6th August, 2011. Executives from the Finance Department, Representatives of the Statutory Auditors and Internal Auditors were also invited to attend the Audit Committee Meetings.

II) Committee Meetings:

During the year under review, 4(Four) Audit Committee Meetings were held on 14th May, 2011, 06th August, 2011, 05th November, 2011 and 30th January, 2012. Attendance of the members at the meetings is as under:

Name of the Director	No of Meetings Attended
Mr. Chinubhai Shah	4
Mr. Shailesh Desai	4
Mr. Ambar Patel	4

III) Terms of Reference:

The role and terms of reference of the Audit Committee cover the matters specified for the Audit Committee under clause 49 of the Listing Agreement and Section 292 (A) of the Companies Act, 1956, including the following;

- i) To review the Company's Financial Reporting Process
- ii) To review with the Management, Quarterly, Half Yearly and Annual Financial Statements
- iii) To review with the Management, External and Internal Auditors, the adequacy of Internal Control Systems
- iv) To review the Company's Financial and Risk Management Policies
- v) To secure attendance of outsider with relevant expertise if considered necessary

(B) Remuneration Committee:

I) Composition:

The Remuneration Committee is presently composed of 3 (three) members and all are Independent Non- Executive Directors. The Company Secretary is Secretary to the Committee. The Committee comprises of the following:

Composition	Designation	Category
Mr. Shailesh Desai	Chairman	Non - Executive & Independent Director
Mr. Chinubhai Shah	Member	Non - Executive & Independent Director
Dr. Navin Patel	Member	Non - Executive & Independent Director

II) Committee Meetings:

During the year under review, there was no change in the remuneration payable to Executive Director and hence no Remuneration Committee Meeting was held.

III) Role and Terms of Reference of the Remuneration Committee:

The role and terms of reference of the Remuneration Committee cover the matters specified for the Remuneration Committee under clause 49 of the Listing Agreement and Schedule XIII of The Companies Act, 1956, including the following:

- i) To determine Company's Policy on Specific Remuneration Packages for Managing Director and Executive Directors Including Pension Rights and any compensation payment.
- ii) To annually review and approve for Managing Director and 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.

IV) Remuneration Policy:

Company pays remuneration by way of salary, benefits & perquisites, allowances and annual pay / incentive payment to the Executive Directors. Annual increments are decided by the Remuneration Committee within the Salary limit approved by the Members. Annual / Incentive payment is decided by the Committee after taking into account financial position of the Company, qualification and experience, past performance of Executive Directors and reporting to the Board. The remuneration paid to Executive Directors and their Shareholding is given below:

i) Executive Directors:

Particulars	Name of Directors (Amt in ₹)		
	Mr. Ambar Patel	Mr. Roshan Shah	Mr. G. V. Bhavsar
Salary	2779700	2755400	2755400
Perquisites & Allowances	779063	771777	771777
Retirement Benefits	534519	527958	527958
Total	4093282	4055135	4055135
No. of Shares	243910	100831	316900

- 1) Notice period for Executive Directors is 3 months.
- 2) Service Contract for Executive Directors is 2 years w.e.f. 01st July, 2010.
- 3) The Company has not issued any stock options to the Directors.

ii) Non Executive Directors:

Sitting Fees for attending meetings of Board / Committee is paid as per the provisions of Articles of Association of the Company / Companies Act, 1956. Remuneration of the Non Executive Directors is decided by the Board based on their attendance and contribution at the Board, time spent for the business of the Company, seniority, experience and expertise of each Director. A detailed criterion for payment to Non Executive Directors is posted on the web site 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 (Amt ₹)	Remuneration (Amt ₹)	No. of Shares
Dr. Baldev Patel	30000	—	—
Mr. Vithaldas Patel	—	1200000*	801502
Mr. Shailesh Desai	130000	—	9000
Dr. Navin Patel	45000	—	NIL
Mr. Chinubhai Shah	120000	—	NIL
Mr. Rajendra Shah	15000	—	NIL
Mr. Jainand Vyas	60000	—	1000
Mr. Nipam R. Shah	15000	886812**	—

* Approved by Members and Central Government.

** Paid as Professional Consultancy Fee

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

(C) Shareholders' / Investors Grievance Committee:

I) Composition:

The Board has constituted Shareholders' / Investors Grievance Committee for speedy disposal of Grievances/ complaints relating to Shareholders/investors. The Committee consists of 3 (Three) Directors out of which 2 (Two) are Non- Executive Independent Directors and 1(One) is Executive Director. The Committee comprises of the following:

Composition	Designation	Category
Mr. Rajendra Shah	Chairman	Non - Executive & Independent Director
Mr. Shailesh Desai	Member	Non - Executive & Independent Director
Mr. Ambar Patel	Member	Managing Director

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

II) Committee Meetings:

During the year under review, 1 (One) Shareholders' / Investors Grievance Committee Meeting was held on 14th May, 2011. Attendance of the members at the meeting is as under:

Name of the Director	No of Meetings Attended
Mr. Rajendra Shah	0
Mr. Shailesh Desai	1
Mr. Ambar Patel	1

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

III) Terms of Reference:

The Committee is empowered to oversee redressal of investors' complaints pertaining to transfer and transmission of Shares, issue of Share Certificates, issue of duplicate share certificates, non- receipt of dividends and annual reports and other miscellaneous Complaints.

IV) Investors' Grievances during the year

Status of Complaints received during the year:

Particulars	No. of Complaints pending at the beginning of year	No. of Complaints received during the year	No. of Complaints redressed during the year	Pending as on 31.03.2012
Related to Shares	Nil	Nil	Nil	Nil
Non receipt of Dividend	Nil	5	5	Nil

Shareholders can contact Mr. Pragnesh Darji - Company Secretary and Compliance Officer, at pragneshdarji@shilpgravures.com.

4. INFORMATION RELATING TO ANNUAL GENERAL MEETINGS:

i) The last three Annual General Meetings were held at:

778/6, Pramukh Industrial Estate, Vill. Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 721

Financial Year	Date of Annual General Meeting	Time
2010-2011	06th August, 2011	5.00 P.M.
2009-2010	07th August, 2010	4.00 P.M.
2008-2009	08th August, 2009	4.00 P.M.

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

Date of Meeting	Resolutions
August 06, 2011	Nil
August 7, 2010	Resolutions for Revision in terms and conditions of appointment of Mr. Ambar Patel as Managing Director and Mr. Roshan Shah & Mr. Gajanan V. Bhavsar as Whole Time Directors. Resolution for appointment of Mr. Deval Patel to hold an office or place of profit.
August 8, 2009	No Special Resolution was passed.

No Special Resolution was put through Postal Ballot last year.

5. DISCLOSURES:

1. 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.
2. 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

6. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company follows Accounting Standards issued by ICAI and in preparation of financial statements; the Company has not adopted a treatment different from that prescribed in any accounting standard.

7. CEO/CFO CERTIFICATION:

Managing Director have certified to the Board compliance in respect of all matters specified in sub clause V of clause 49 of Listing Agreement.

8. MEANS OF COMMUNICATION:

The Quarterly Results / Half Yearly and Annual Financial Results are normally published in Financial Express (Gujarati Daily) and Indian Express (English Daily). Half Yearly reports are not sent to shareholders. The information relating to Company's performance etc., are submitted to Institutional Investors / Financial Analysts, as and when asked for. Further the Quarterly Results, Shareholding Pattern and other information are also displayed on the website of the Company at: www.shilpgravures.com

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Your Company requests you to kindly inform any changes to your email address to your Depository Participant from time to time. The shareholders holding Company's share(s) in electronic form and have registered the email address in the records of the Depository which has been made available to us by them. Going forward, the shareholder communication would be sent in electronic form to their email addresses. The annual report of your Company for Financial Year 2011-2012 would also be made available on the website of the Company: www.shilpgravures.com.

This initiative by Ministry will turn into saving of Natural resources as well as Smooth means of Communication.

9. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:

Date and Time : 04th August, 2012 at 05.00 p.m.

Venue : 778/6, Pramukh Indl. Estate, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 721

2. Financial Calendar:

Results for the Quarter Ending on:

30th June 2012 Beginning of August, 2012

30th September 2012 End of October, 2012

31st December 2012 End of January, 2013

31st March 2013 End of May, 2013

3. Book Closure : Saturday, the 28th July, 2012 to Saturday, the 04th August, 2012 (Both days inclusive).

4. 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 27th July, 2012.

(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 27th July, 2012, in respect of shares held in Demat form.

ii) Dividend warrants made payable on 04th August, 2012 will be posted to members at their registered address.

5. 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 2012-2013 to the Stock Exchange.

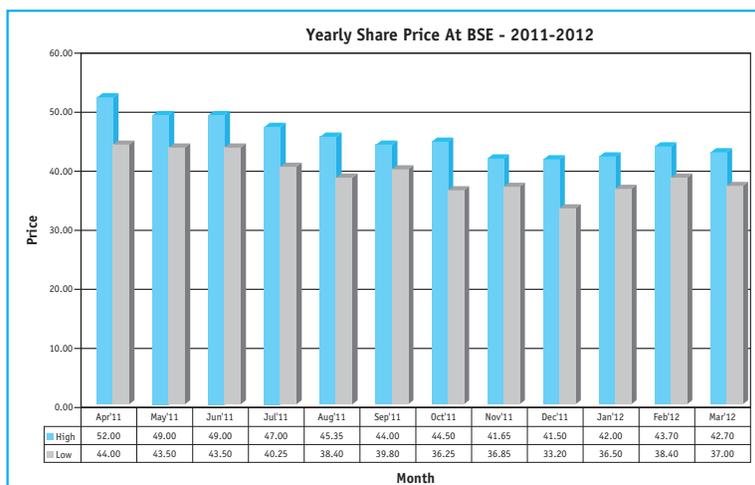
6. Stock Code/ Symbol:

Stock Code : 513709

Stock Symbol : SHILGRAVQ

ISIN : INE960A01017

7. Stock Performance:



Monthly High- Low on BSE:

Month	High	Low
Apr-11	52.00	44.00
May-11	49.00	43.50
Jun-11	44.65	40.95
Jul-11	47.00	40.25
Aug-11	45.35	38.40
Sep-11	44.00	39.80
Oct-11	44.50	36.25
Nov-11	41.65	36.85
Dec-11	41.50	33.20
Jan-12	42.00	36.50
Feb-12	43.70	38.40
Mar-12	42.70	37.00

8. Registrar and Share Transfer Agent:

The Share transfer work is being carried out by **M/s. Sharepro Services (India) Private Limited**, 416 – 420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006. Request for dematerialisation and rematerialisation should be sent directly at the above address.

9. 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. During the year 31 Transfer Deeds involving 20900 shares were transferred. Requests for Issue of Duplicate Shares / Fresh Share Certificate / Transmission / Consolidation of Shares are approved by the Shareholders / Investors Grievance Committee. 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.

10. Distribution of Shareholding as on March 31, 2012:

No of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	4146	88.31	575596	9.36
501 – 1000	214	4.56	178737	2.91
1001 – 2000	117	2.49	177861	2.89
2001 – 3000	69	1.47	175305	2.85
3001 – 4000	22	0.47	77637	1.26
4001 – 5000	17	0.36	79331	1.29
5001 – 10000	49	1.04	359861	5.85
10001 - 20000	27	0.58	391909	6.37
20001 and Above	34	0.72	4133563	67.21
Total	4695	100.00	6149800	100.00

11. Pattern of Shareholding as on March 31, 2012:

Sr. No.	Category	No. of Shares	(%)
1.	i) Indian Promoters	1740611	28.30
	ii) Foreign Promoters	1788840	29.09
2.	Financial Institutions/Banks	—	—
3.	Body Corporate	143978	2.34
4.	Indian Public	2079554	33.82
5.	NRI	312968	5.09
6.	Independent Director & Relatives	82377	1.34
7.	Shares in Transit	847	0.01
8.	Others	625	0.01
9.	Total	6149800	100.00

12. Distribution of Physical & Dematerialized Shares on March 31, 2012:

	Physical Holding			Demat Holding		
	No. Of Shares	%	No. Of Shareholders	No. Of Shares	%	No. Of Shareholders
Total Paid-up & Listed Capital						
61,49,800 Shares	606910	9.85	1885	5542890	90.15	2810

13. Plant Location:

The Company's plants are located at:

1) Factory & Registered Office:

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

2) Engineering Division:

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

The Location of the Plant of Subsidiary Company is located at:

1) Factory & Registered Office:

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

14. Address of Correspondence:

Members are requested to communicate directly to the Company's Registrar and Share Transfer Agent, M/s Sharepro Services (India) Private Limited, 416 – 420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006 for any issue relating to Shares. For any other information, Shareholders are requested to communicate at the Registered Office.

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

This is to confirm that the Company has adopted Code of Conduct for Directors & Senior Management Personnel. Both these codes are available on the web site of the Company. I confirm that the Company has in respect of the financial year ended 31st March 2012, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Place : Rakanpur

Date : 28th April, 2012

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** for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

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**

Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah

Partner

(Membership No. 35701)

AHMEDABAD, 28th April, 2012

AUDITORS' REPORT

TO THE MEMBERS OF SHILP GRAVURES LIMITED

1. We have audited the attached Balance Sheet of **SHILP GRAVURES LIMITED** ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (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 dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, 28th April, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's activities, 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 the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations 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 inventory:
- (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 explanation 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 not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 hence the clauses 3 (b), (c) and (d) are not applicable to the Company.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has taken unsecured loans from two companies and a firm listed in the Register maintained under Section 301 of the Companies Act, 1956. At the year-end, the outstanding balance of these loans taken is ₹ NIL and the maximum amount involved during the year was ₹ 145.19 lacs.
 - (b) The rate of interest and other terms and conditions of such loan are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of principal amount and interest in respect of such loan are regular/as per stipulations.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal controls in respect of these areas.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of ₹5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the internal audit functions carried out during the year by firm 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:
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2008-09 and 2009-10	18.25

- (xi) There are no accumulated losses of the Company as at 31st March, 2012. 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.
- (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 Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied 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, we report that funds raised on short-term basis have 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 any 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 year 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
(Registration No.117365W)

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, 28th April, 2012

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2012	AS AT 31st MARCH, 2011
A EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share capital	3	614.98	614.98
(b) Reserves and surplus	4	2,776.12	2,356.38
		3,391.10	2,971.36
2 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	569.20	256.70
(b) Deferred tax liabilities (net)	28	486.32	440.43
(c) Long-term provisions	6	76.15	75.06
		1,131.67	772.19
3 CURRENT LIABILITIES			
(a) Short-term borrowings	7	990.89	1,533.41
(b) Trade payables	8	501.97	624.16
(c) Other current liabilities	9	351.45	459.46
(d) Short-term provisions	10	110.91	94.12
		1,955.22	2,711.15
TOTAL		6,477.99	6,454.70
B ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed assets	11		
(i) Tangible assets		3,971.31	3,681.85
(ii) Intangible assets		209.61	321.69
(iii) Capital work-in-progress		74.25	20.47
(b) Non-current investments	12	82.78	—
(c) Long-term loans and advances	13	53.55	33.82
(d) Other non-current assets	14	1.74	31.74
		4,393.24	4,089.57
2 CURRENT ASSETS			
(a) Current investments	15	1.75	27.38
(b) Inventories	16	418.35	531.95
(c) Trade receivables	17	1,420.71	1,556.79
(d) Cash and cash equivalents	18	120.25	159.55
(e) Short-term loans and advances	19	123.69	89.46
		2,084.75	2,365.13
TOTAL		6,477.99	6,454.70
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells

 Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah

 Partner
(Membership No.35701)

Place : Ahmedabad

Date : 28th April, 2012

For and on behalf of the Board

Ambar J. Patel
Managing Director

Roshan H. Shah
Executive Director

Gajanan V. Bhavsar
Executive Director

Pragnesh Darji
Company Secretary

Place : Rakanpur

Date : 28th April, 2012

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

PARTICULARS	NOTE NO.	YEAR ENDED 31st MARCH, 2012	YEAR ENDED 31st MARCH, 2011
1 Revenue from Operations (Net)	20	5,580.42	4,999.05
2 Other Income	21	25.94	80.77
3 TOTAL REVENUE (1+2)		5,606.36	5,079.82
4 EXPENSES			
(a) Cost of materials consumed	22	1,845.08	1,543.85
(b) Purchases of stock-in-trade		24.65	84.09
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	16.36	(18.64)
(d) Employee benefits expense	24	1,014.22	848.37
(e) Finance costs	25	200.65	233.96
(f) Depreciation and amortisation expense	11	579.32	632.04
(g) Other expenses	26	1,187.68	1,290.95
TOTAL EXPENSES		4,867.96	4,614.62
5 Profit before Tax (3-4)		738.40	465.20
6 Tax Expenses			
(a) Current tax expense for current year		180.00	177.00
(b) Current tax expense relating to prior years		(14.44)	(6.17)
(c) Net current tax expense		165.56	170.83
(d) Deferred tax		45.90	(39.38)
		211.46	131.45
7 Profit for the year (5-6)		526.94	333.75
8 Earnings per Share (of ₹ 10 each) Basic and Diluted (in ₹)	27	8.57	5.43
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah

Partner
(Membership No.35701)

Place : Ahmedabad

Date : 28th April, 2012

For and on behalf of the Board

Ambar J. Patel

Managing Director

Roshan H. Shah

Executive Director

Gajanan V. Bhavsar

Executive Director

Pragnesh Darji

Company Secretary

Place: Rakanpur

Date : 28th April, 2012

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Particulars	2011-12	2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	738.40	465.20
Adjustments for :		
Depreciation and amortisation	579.32	632.04
Bad debts	61.60	71.96
Financial Cost	200.65	233.96
Interest Income	(3.26)	(4.27)
Dividend Income	(3.16)	(2.78)
(Profit)/Loss on Sale/Write off of Fixed Assets	(8.88)	(15.57)
Net unrealised exchange (gain)/loss	(0.11)	0.98
Discount on sales	53.15	12.26
Provision for Leave and Gratuity	0.90	8.95
	880.23	937.53
Operating profit/(loss) before working capital changes	1,618.63	1,402.73
<u>Changes in Working Capital:</u>		
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(122.10)	22.73
Long-term Provisions	0.17	17.32
Short-term Provisions	(90.41)	(17.03)
Other Current Liabilities	(18.67)	(564.51)
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	21.24	(184.03)
Inventories	113.60	(24.97)
Long-term Loans and Advances	17.61	35.24
Short-term Loans and Advances	(34.23)	177.40
Other Non-Current Assets	30.00	(1.74)
	(82.79)	(539.59)
Cash Generated from/(used in) Operations	1,535.84	863.14
Net income tax (paid)/refund	(184.71)	(157.94)
Net Cash flow from/(used in) Operating Activities (A)	1,351.13	705.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advance	(876.76)	(292.41)
Proceeds from Sale of Fixed Assets	56.98	55.48
Bank balances not considered as Cash and cash equivalents		
- Placed	—	(0.24)
- Matured	30.73	—
Purchase of Non-current Investments		
- Subsidiaries	(29.19)	—
- Joint ventures	(53.59)	—
Current investments not considered as Cash and cash equivalents		
- Purchased	—	(1.75)
- Proceeds from sale	25.63	3.15
Interest received		
- Others	3.26	4.27
Dividend received		
- Others	3.16	2.78
Net Cash Flow from/(used in) Investing Activities (B)	(839.78)	(228.72)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd...)

(₹ in Lacs)

Particulars	2011-12	2010-11
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	513.00	—
Repayment of Long Term Borrowings	(200.50)	(134.20)
Net increase / (decrease) in working capital borrowings	(123.27)	104.53
Repayment of Other Short Term Borrowings	(419.26)	(123.33)
Financial Cost	(200.65)	(233.96)
Dividend Paid	(76.87)	(76.87)
Tax on Dividend	(12.47)	(13.06)
Net Cash Flow from/(used in) Financing Activities (C)	(520.02)	(476.89)
Net increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(8.67)	(0.41)
Cash and Cash Equivalents at the beginning of the year	126.42	126.77
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.11)	(0.06)
Cash and Cash Equivalents at the end of the year	117.85	126.42
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 18)	120.25	159.55
Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	2.40	33.13
Cash and cash equivalents at the end of the year *	117.85	126.42
* Comprises:		
(a) Cash on hand	6.43	3.36
(b) Cheques/Drafts on hand	3.46	—
(c) Balances with Banks		
(i) In Current Accounts	92.00	107.42
(ii) In deposit accounts with original maturity of less than 3 months	1.00	—
(iii) In earmarked accounts		
- Unpaid Dividends Accounts	14.96	15.64
	117.85	126.42

Note :

These 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
(Registration No.117365W)

Gaurav J. Shah

Partner
(Membership No.35701)

Place : Ahmedabad

Date : 28th April, 2012

For and on behalf of the Board

Ambar J. Patel
Managing Director

Roshan H. Shah
Executive Director

Gajanan V. Bhavsar
Executive Director

Pragnesh Darji
Company Secretary

Place : Rakanpur

Date : 28th April, 2012

NOTES TO STANDALONE FINANCIAL STATEMENTS

1. BACKGROUND OF THE COMPANY

Shilp Gravures Limited is a public limited company, incorporated in 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, first gravure roller manufacturing house in India. The Company is engaged in engraving of rollers through three different engraving technologies i.e. electronic, laser and chemical etching. The engraved rollers are used for printing and packaging industries.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

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.

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 depreciated 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.

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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

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 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.

2.13 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.

2.14 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, 2012		AS AT 31st MARCH, 2011	
	(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, 2012		AS AT 31st MARCH, 2011	
	(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 (₹ in Lacs). 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 2012, the amount of per share dividend recognised as distributions to equity shareholders was ₹1.50 (31st March 2011 : ₹1.25)

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, 2012		AS AT 31st MARCH, 2011	
	NO. OF SHARE HELD	% OF HOLDING	NO. OF SHARE HELD	% OF HOLDING
Baldev V. Patel	—	—	317,600	5.16%
Vitthaldas H. Patel	782,356	12.72%	—	—
Hiraben V. Patel Jointly with Vitthaldas H. Patel	363,624	5.91%	—	—
Hiraben V. Patel	607,714	9.88%	—	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

4 RESERVES AND SURPLUS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
a. Capital Reserves		
State Capital Investment Subsidy		
Opening Balance	15.00	15.00
Add : Current Year Transfer	—	—
Less : Utilised/Transferred during the year	—	—
Closing Balance	15.00	15.00
b. General Reserve		
Opening Balance	734.76	701.26
Add : Transfer from the surplus in Statement of Profit & Loss	200.00	33.50
Less : Utilised/Transferred during the year	—	—
Closing Balance	934.76	734.76
c. Surplus in Statement of Profit & Loss		
Opening Balance	1,606.62	1,395.71
Add : Net Profit For the current year	526.94	333.75
Less: Appropriation		
Proposed Dividend (Amount per share ₹1.50 (P.Y. ₹ 1.25))	92.24	76.87
Tax on Proposed Dividend	14.96	12.47
Transfer to General Reserves	200.00	33.50
Net surplus in the statement of profit and loss	1,826.36	1,606.62
Total	2,776.12	2,356.38

5 LONG TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Secured		
Term loans		
From Banks		
Indian Rupee Loan (Refer note (i) below)	391.65	87.32
From Financial Institutions (Refer note (ii) below)	5.02	—
	396.67	87.32
Unsecured		
Term loans		
From Financial Institutions (Refer note (iii) below)	172.53	169.38
	172.53	169.38
Total	569.20	256.70

Secured

(i) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 391.65 Lacs (P.Y. ₹ NIL). 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 new three windmills acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.

(ii) Hire purchase finances for Car amounting to ₹ 5.02 Lacs (P.Y. ₹ Nil) is secured by hypothecation of the Car.

Unsecured

(iii) Unsecured loan amounting to ₹ 172.53 Lacs (P.Y. ₹ 169.38 Lacs) taken from Life Insurance Corporation of India. The loan is availed against Keyman Insurance Policies of the key employees of the Company. The same to be paid on or before the maturity of the respective Keyman Insurance Policy.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

6 LONG TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Provision for employee benefits		
Gratuity (Funded) (Refer note 29)	57.38	59.01
Compensated Absences (unfunded)(Refer note 29)	18.77	16.05
Total	76.15	75.06

7 SHORT TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Secured		
Loans repayable on demand		
Cash Credit from Banks (Refer note (i) and (ii) below)	988.19	1,111.46
	988.19	1,111.46
Unsecured		
a. Loans and advances from related parties		
11% Inter-Corporate Deposits repayable on demand	—	115.17
b. Deposits		
From Related Parties	—	291.96
Others	2.70	14.82
	2.70	421.95
Total	990.89	1,533.41
<p>(i) Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd. of ₹ 715.32 Lacs (P.Y. ₹ 692.91 Lacs). The same is secured by present and future book debts and inventories of the Company, personal guarantee of some of the promoter directors and further secured by second charge over fixed assets held by The Royal Bank of Scotland.</p> <p>(ii) Working capital loan from The Royal Bank of Scotland of ₹ 272.87 Lacs (P.Y. ₹ 268.54 Lacs). The same is secured by exclusive charge over entire fixed assets of the Company both present and future. Further, the loan has been guaranteed by personal guarantee of all the promoter directors.</p>		

8 TRADE PAYABLES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Trade payables other than Acceptances (Refer note 36)	501.97	624.16
Total	501.97	624.16

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

9 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Current maturities of long-term debt (Refer Note (i) below)	194.47	284.86
Interest accrued and due on borrowings	7.29	8.83
Unpaid dividends*	14.96	15.64
Other payables		
Statutory and Other Liabilities	14.60	66.81
Payable on Business Acquisition	5.87	7.85
Creditors for Capital Goods	52.47	49.38
Advances from Customers	61.79	26.09
Total	351.45	459.46

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

(i) Current maturities of long-term debt

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Secured		
Term loans		
From Banks		
Indian Rupee Loan (Refer Note (a),(b) and (c) below)	190.72	284.67
From Financial Institutions (Refer Note (c) below)	3.75	0.19
Total	194.47	284.86

Secured

(a) Indian Rupee loan from CITI Bank amounting to ₹ 67.67 Lacs (P.Y. ₹ 135.33 Lacs). The loan is repayable in 12 Quarterly installments of ₹16.92 lacs each excluding interest, from June, 2010. The loan is secured by exclusive charge over plant and machinery created out of that loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.

(b) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 19.65 Lacs (P.Y. ₹ 50.56 Lacs). The loan is repayable in 24 Monthly installments of ₹3.26 Lacs each including interest. The loan is secured by exclusive charge over entire movable plant and machinery acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.

(c) For nature of security of the loans from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 103.40 Lacs (P.Y. ₹ Nil) and from financial institutions amounting to ₹ 3.75 Lacs (P.Y. ₹ 0.19 Lacs), refer note 5 (i) and (ii).

10 SHORT TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
a. Provision for employee benefits		
Compensated Absences (unfunded) (Refer Note 29)	3.71	3.89
b. Others		
Provision for Taxation (Net of Advance Tax of ₹ Nil (P.Y. ₹ 391.62 Lacs)	—	0.89
Proposed Dividend	92.24	76.87
Tax on Proposed Dividend	14.96	12.47
Total	110.91	94.12

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

11 FIXED ASSETS

(₹ in Lacs)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2011	Additions	Disposals	As at 31st March, 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012
a Tangible Assets										
Land	62.68	—	—	62.68	—	—	—	—	62.68	62.68
Buildings	731.33	32.41	15.58	748.16	108.12	22.06	1.36	128.82	623.21	619.34
Plant and Equipments	6,025.29	693.39	4.05	6,714.63	3,496.11	345.59	0.33	3,841.37	2,529.18	2,873.26
Furniture and Fixtures	144.09	4.44	4.20	144.33	65.63	8.58	0.71	73.50	78.46	70.83
Vehicles	188.75	33.79	42.20	180.34	61.07	18.67	22.18	57.56	127.68	122.78
Office Equipments and Computers	466.08	40.24	0.45	505.87	309.22	65.17	0.12	374.27	156.86	131.60
Electrical Installations	151.36	0.52	7.24	144.64	47.58	7.16	0.92	53.82	103.78	90.82
Total	7,769.58	804.79	73.72	8,500.65	4,087.73	467.23	25.62	4,529.34	3,681.85	3,971.31
b Intangible Assets										
Goodwill	560.44	—	—	560.44	238.75	112.09	—	350.84	321.69	209.61
Total	560.44	—	—	560.44	238.75	112.09	—	350.84	321.69	209.61
c Capital Work In Progress									20.47	74.25
Total									20.47	74.25
Grand Total	8,330.02	804.79	73.72	9,061.09	4,326.48	579.32	25.62	4,880.17	4,024.01	4,255.17
Previous Year	8,017.28	356.08	43.35	8,330.02	3,697.87	632.04	3.44	4,326.48	4,405.25	4,024.01

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

12 NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Trade Investments - Unquoted (at Cost)		
Investment in Equity Shares of Subsidiary 2,91,867(P.Y.Nil) Equity Shares of ReShilp Equipments (India) Pvt Ltd at ₹ 10 each fully paid up	29.19	—
Investment in Joint Venture 5,35,940 (P.Y. Nil) Equity Shares of HMSU Rollers (India) Pvt Ltd. at ₹ 10 each fully paid up	53.59	—
Total	82.78	—

13 LONG TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
a. Capital Advances Unsecured, considered good	19.88	1.69
b. Security Deposits Unsecured, considered good	33.67	32.13
Total	53.55	33.82

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

14 OTHER NON-CURRENT ASSETS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Bank Deposits more than 12 months maturity period Unsecured, considered good*	1.74	31.74
TOTAL	1.74	31.74

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

15 CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Investment in Equity instruments - Unquoted (at Cost)		
Nil(P.Y.1,02,520) Equity Shares of The Kalupur Commercial Co-operative Bank Ltd. at ₹ 25 each fully paid up	—	25.63
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	27.38

16 INVENTORIES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
a. Raw Materials and components	223.92	337.19
Goods-in transit	—	1.62
b. Work-in-progress (Refer note 23)	112.65	123.01
c. Finished goods (Refer note 23)	5.95	3.35
d. Stock-in-trade (Refer note 23)	22.36	30.95
e. Stores and spares	46.37	29.87
Goods-in transit	4.48	4.28
g. Packing Materials	2.62	1.66
Total	418.35	531.95

17 TRADE RECEIVABLES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Unsecured, considered good		
Outstanding from the date they are due for payment		
a. less than six months	1,337.07	1,442.63
b. exceeding six months	83.64	114.16
Total	1,420.71	1,556.79
Trade Receivable stated above include debts due by:		
PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Private Company in which director is a director		
ReShilp Equipments (India) Pvt. Ltd.	158.66	—
	158.66	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

18 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
a. Cash on hand	6.43	3.36
b. Cheques, drafts on hand	3.46	—
c. Balances with banks		
(i) In Current Accounts	92.00	107.42
(ii) In Deposits Accounts with original maturity of less than 3 months	1.00	—
(iii) In Earmarked Accounts		
- Unpaid dividend accounts	14.96	15.64
	117.85	126.42
d. Others		
Bank Deposits with more than 3 months, but below 12 months maturity	2.40	33.14
Total	120.25	159.55

19 SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
Unsecured, considered good		
Advance to Suppliers	26.96	11.98
Advance Income Tax (Net of Tax Provisions of ₹354.86 Lacs (P.Y. ₹Nil))	29.39	—
Deposits		
To Related Parties	0.57	—
To Others	2.29	4.19
Prepaid Expenses	39.83	45.60
Balances with Government Authority	9.38	11.69
Others		
To Related Parties	2.14	—
To Others	13.13	16.00
Total	123.69	89.46

Deposits and advances to others includes :

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)	AS AT 31st MARCH, 2011 (₹ in Lacs)
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.	2.09	—
ReShilp Equipments (India) Pvt. Ltd.	0.05	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

20 REVENUE FROM OPERATIONS

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2011 (₹ in Lacs)
Sale of products	4,360.97	3,832.17
Less : Excise Duty	429.81	348.81
	3,931.16	3,483.36
Sale of services	1,746.04	1,519.83
Less : Service Tax	163.33	141.62
	1,582.71	1,378.21
Trading Sales	46.22	72.11
Other Operating Revenue		
- Scrap Sales	72.82	75.70
- Others	0.66	1.93
Less: Discount on sales	53.15	12.26
Total	5,580.42	4,999.05
Sales of products and services comprises of:		
Manufactured Goods		
- Engraved Copper Rollers	3,210.23	2,749.94
- Web guiding and Controlling system	473.81	472.78
- Printing Plates	216.80	242.83
- Others	30.32	17.81
Traded Goods		
- Doctor Blade	25.49	21.77
- Adhesive Chemical	16.85	46.97
- Others	3.88	3.37
Sale of services		
- Job work sales	1,582.71	1,378.21

21 OTHER INCOMES

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2011 (₹ in Lacs)
Interest Income	3.26	4.27
Dividend Income	3.16	2.78
Recovery of Bad debts written off in earlier years	7.62	1.24
Rent Income	0.90	0.90
Profit on sale of fixed assets (net)	8.88	15.57
Fire Insurance Claim received	—	52.88
Miscellaneous Income	2.12	3.13
Total	25.94	80.77

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

22 COST OF RAW MATERIAL CONSUMED

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2011 (₹ in Lacs)
Inventory at the beginning of the year	338.81	343.02
Add : Purchase	1,730.19	1,539.64
	2,069.00	1,882.66
Inventory at the end of the year	223.92	338.81
Total	1,845.08	1,543.85
Raw Materials Consumed comprises of:		
M.S. Roller	191.22	141.27
M.S. Pipe, Plates and bars	596.82	445.59
Copper	408.15	365.16
Web guiding and Controlling system components	398.91	381.52
Others	249.98	210.31

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

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2011 (₹ in Lacs)
OPENING INVENTORIES		
Finished Goods	3.35	4.77
Work-in-progress	123.01	127.17
Stock-in-trade	30.96	6.74
	157.32	138.68
CLOSING INVENTORIES		
Finished Goods	5.95	3.35
Work-in-progress	112.65	123.01
Stock-in-trade	22.36	30.96
	140.96	157.32
Change in Inventories	16.36	(18.64)
Inventories comprises of:		
Finished Goods		
- Engraved Rollers	5.95	3.35
Work-in-progress		
- Engraved Rollers	112.65	123.01
Stock-in-trade		
- Doctor Blade	15.66	21.48
- Adhesive Chemical	6.69	9.47

24 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2011 (₹ in Lacs)
Salaries, Wages and bonus	869.90	749.41
Contributions to Provident and other funds	54.33	44.02
Staff welfare expenses	89.99	54.94
Total	1,014.22	848.37

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

25 FINANCE COSTS

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2011 (₹ in Lacs)
Interest expense		
On term loans	49.66	47.95
On working capital loans	120.37	112.95
Others	27.89	52.02
	197.92	212.93
Other borrowing costs	2.73	21.04
Total	200.65	233.96

26 OTHER EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2011 (₹ in Lacs)
Stores, Spares & Consumables	349.25	332.61
Packing Materials Consumed	69.86	59.94
Power, Fuel & Electricity	144.54	174.39
Repairs and Maintenance		
Plant & Machinery	54.28	63.75
Building	32.10	50.62
Others	23.57	36.39
Factory Expenses	28.71	26.87
Rent, Rates & Taxes	15.72	17.20
Legal and Professional Charges	55.46	47.25
Conveyance and Travelling	85.57	84.68
Communication Expenses	20.83	23.17
Stationary, Printing and subscription	10.21	13.46
Insurance Premium	37.63	43.32
Payment to auditor (Refer details below)	5.65	5.76
Computer Expenses	12.52	35.65
Bad debts	61.60	71.96
Donation	3.98	5.47
Clearing & Forwarding	71.33	65.49
Sales Commision		
to sole selling agent	7.67	35.23
to others	29.32	31.59
Advertisement and Business Promotion	28.32	18.28
Loss on foreign exchange rate fluctuation (net)	11.41	10.69
Miscellaneous Expenses	28.15	37.18
Total	1,187.68	1,290.95
Payment to the auditor comprises of:		
As auditor - statutory audit	5.46	4.46
for taxation matters	—	0.50
for other services	—	0.65
Reimbursement of expenses	0.19	0.15
Total	5.65	5.76

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

27 EARNING PER SHARE (EPS)

PARTICULARS	YEAR ENDED 31st MARCH, 2012	YEAR ENDED 31st MARCH, 2011
Basic and Diluted		
Profit attributable to equity share holders (₹ in Lacs)	526.94	333.76
Nominal Value of equity share (₹)	10	10
Weighted average number of ordinary equity share for Basic EPS (Nos.)	6,149,800	6,149,800
Basic and Diluted EPS (₹)	8.57	5.43

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, 2012	AS AT 31st MARCH, 2011
Deferred Tax Liability		
Difference between book and tax depreciation	487.15	441.16
	487.15	441.16
Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	(0.83)	(0.73)
	(0.83)	(0.73)
Deferred Tax Liability (net)	486.32	440.43

29 EMPLOYEE BENEFITS

The present value of gratuity and leave encashment obligations is determined based on actuarial valuation 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, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Current service cost	10.16	9.74	2.05	2.05
Interest Cost	9.31	8.16	1.66	1.48
Expected return on plan assets	(5.42)	(4.47)	—	—
Net actuarial losses (gains)	2.39	2.47	(1.18)	0.14
Total	16.44	15.90	2.53	3.67

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Defined benefit obligation at beginning of the year	111.67	97.79	19.93	17.76
Service cost	10.16	9.74	2.05	2.05
Interest cost	9.31	8.16	1.66	1.48
Actuarial losses (gains)	2.39	2.59	(1.18)	0.14
Benefits paid	(5.01)	(6.61)	—	(1.50)
Defined benefit obligation at year end of the year	128.52	111.67	22.46	19.93

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, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Fair value of plan assets as at April 1, 2011	52.65	45.11	—	—
Expected return on plan assets	5.42	4.47	—	—
Actuarial gains and (losses)	—	0.12	—	—
Contributions by employer	18.08	9.56	—	—
Benefits paid	(5.01)	(6.61)	—	—
Fair value of plan assets at year end	71.14	52.65	—	—

IV. Investment details:

Particulars	% invested as at 31st MARCH, 2012	% invested as at 31st MARCH, 2011
Insurance Company	100%	100%

V. Actuarial Assumptions: (₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.50%	8.34%	8.50%	8.34%
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 four year's data for defined benefit obligation and fair value of plan is as under: (₹ in Lacs)

Particulars	2007-08	2008-09	2009-10	2010-11
Present value of defined benefit obligations at the end of the year (Independent actuary)	70.50	80.01	97.79	111.67
Fair value of plan assets at the end of the year	27.32	32.62	45.11	52.65
Net assets / (Liability) at the end of the year	43.18	47.39	52.68	59.02

The contribution expected to be made by the Company during the financial year 2012-13 has not been ascertained.

2. Defined Contribution Plans.

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

PARTICULARS	YEAR ENDED 31st MARCH, 2012	YEAR ENDED 31st MARCH, 2011
Employer's Contribution to Provident Fund	31.66	27.65
Employers' Contribution to Superannuation Fund	6.22	6.38
Employers' Contribution to ESIC	—	0.41

30 LEASES

The Company has taken vehicles on hire purchase financing and hire purchase installments amounting to ₹0.44 Lacs (P.Y. ₹0.92 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, 2012	As at 31st MARCH, 2011
Not later than 1 year	3.75	0.40
Later than 1 year but not later than 5 years.	5.02	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 15.14 Lacs (P.Y. ₹ 17.20 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, 2012	As at 31st MARCH, 2011
Not later than 1 year	4.55	5.40
Later than 1 year but not later than 5 years.	4.14	—

31 CAPITAL AND OTHER COMMITMENTS

(₹in Lacs)

Particulars	As at 31st MARCH, 2012	As at 31st MARCH, 2011
Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance)	22.09	109.81
Estimated amount of investment to be made in joint venture	142.00	29.19

32 CONTINGENT LIABILITIES

(₹in Lacs)

Particulars	As at 31st MARCH, 2012	As at 31st MARCH, 2011
Disputed demand not acknowledged as debt against which the Company has preferred appeal	18.25	3.47
Bills Discounted	72.69	50.17

33 RELATED PARTY DISCLOSURES

a) Related parties and their relationship

Name of the related party	Relationship
ReShilp Equipments (India) Pvt. Ltd.	Subsidiary Company w.e.f. 30-04-2011
HMSU Rollers (India) Pvt. Ltd.	Joint Venture Company w.e.f. 01-02-2012
Mr. Ambar J. Patel Mr. Roshan Shah Mr. G.V. Bhavsar	Key Management Personnel
Mr. Narendra Patil Mr. Atul Vinchhi Dr. B. V. Patel Mr. Vitthaldas 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	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	82.78				82.78
	—				—
Share application money given	0.41				0.41
	—				—
Sale of goods	311.21		4.63		315.84
	—		(0.25)		(0.25)
Purchase of goods	14.67				14.67
	—				—
Sale of Fixed Assets	1.66				1.66
	—				—
Rent Paid		—	5.72		5.72
		(0.90)	—		(0.90)
Rent Received			0.90		0.90
			(0.90)		(0.90)
Commission paid/provided			12.06		12.06
			(35.23)		(35.23)
Services received	3.49				3.49
	—				—
Services rendered	9.00				9.00
	—				—
Reimbursement of expenses	25.64				25.64
	—				—
Interest Paid/Provided		0.75	13.19	2.77	16.71
		(4.87)	(11.11)	(9.17)	(25.15)
Acceptance of Fixed Deposit			55.00	—	55.00
			(15.00)	(3.75)	(18.75)
Repayments of Deposits		11.80	164.50	70.25	246.55
		(47.40)	(40.00)	(35.25)	(122.65)
Dividends paid		8.74		14.83	23.57
		(10.28)		(15.83)	(26.11)
Remuneration		123.53		94.26	217.79
		(95.56)		(73.80)	(169.36)
Outstanding balance (Dr.)	160.79				160.79
	—				—
Outstanding balance (Cr.)		—	14.76	—	14.76
		(49.66)	(118.24)	(91.34)	(259.24)

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, 2012	YEAR ENDED 31st MARCH, 2011
Investment in equity shares	HMSU Rollers (India) Pvt. Ltd.	53.59	—
	ReShilp Equipments (India) Pvt. Ltd.	29.19	—
Sale of goods	ReShilp Equipments (India) Pvt. Ltd.	311.21	—
Purchase of goods	ReShilp Equipments (India) Pvt. Ltd.	14.67	—
Sale of Fixed Assets	ReShilp Equipments (India) Pvt. Ltd.	1.66	—
Rent Paid	Stylus Infrastructure Pvt. Ltd	3.43	—
	Hira Corporation	2.29	—
Commission paid/provided	Shilp Ultratech Private Limited	12.06	35.22
Services received	ReShilp Equipments (India) Pvt. Ltd.	3.49	—
Services rendered	ReShilp Equipments (India) Pvt. Ltd.	9.00	—
Reimbursement of expenses	HMSU Rollers (India) Pvt. Ltd.	6.94	—
	ReShilp Equipments (India) Pvt. Ltd.	18.70	—
Interest Paid	Dr. Baldev Patel	2.11	5.84
	Stylus Infrastructure Private Limited	12.29	10.07
Acceptance of Fixed Deposit	Stylus Infrastructure Private Limited	55.00	15.00
Repayment of Deposits	Narendra R. Patil	7.00	10.25
	Dr. Baldev Patel	53.00	10.00
	Stylus Infrastructure Private Limited	154.50	35.50
Dividends paid	Mr. Ambar J. Patel	3.05	3.05
	Mr. Atul Vinchhi	3.77	3.62
	Mr. G.V. Bhavsar	3.96	3.96
	Dr. B. V. Patel	7.00	7.00
Remuneration	Mr. Ambar J. Patel	40.52	31.25
	Mr. Roshan Shah	40.14	30.90
	Mr. Narendra Patil	40.14	30.90
	Mr. Atul Vinchhi	40.14	30.90
	Mr. G.V. Bhavsar	40.14	30.90
Outstanding balance (Dr.)	HMSU Rollers (India) Pvt. Ltd.	2.09	—
	ReShilp Equipments (India) Pvt. Ltd.	158.71	—
Outstanding balance (Cr.)	Mr. Narendra Patil	—	7.30
	Shilp Ultratech Private Limited	14.76	29.28
	Dr. Baldev Patel	—	56.66
	Stylus Infrastructure Private Limited	—	107.55

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	4,858.22 (4,254.90)	94.99 (65.55)	722.20 (744.15)		5,675.41 (5,064.60)
Less: Inter segment sales		94.99 (65.55)			94.99 (65.55)
Segment revenue	4,858.22 (4,254.90)	— —	722.20 (744.15)		5,580.42 (4,999.05)
Segment results	853.15 (590.12)	61.72 (45.29)	24.18 (63.76)		939.05 (699.17)
Capital Employed	2,157.00 (1,679.50)	776.65 (263.12)	364.44 (495.72)	662.20 (789.72)	3,960.29 (3,228.06)

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	USD 16448	8.35
Amounts payable in foreign currency	CHF 24802.90 EUR 745.14 USD 11270.00	14.17 0.51 5.72

36 DISCLOSURES UNDER THE MSMED ACT, 2006

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

37 CONSUMPTION OF RAW MATERIALS, STORES AND SPARES

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
	(₹ in lacs)	%	(₹ in lacs)	%
Raw Materials				
Imported	393.05	21.30%	546.16	35.38%
Indigenous	1,452.03	78.70%	997.69	64.62%
Total	1,845.08	100.00%	1,543.85	100.00%
Stores and Spares				
Imported	111.38	31.89%	154.33	46.40%
Indigenous	237.87	68.11%	178.28	53.60%
Total	349.25	100.00%	332.61	100.00%

38 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2012	YEAR ENDED 31st MARCH, 2011
Capital Goods	14.66	—
Raw Material	252.00	457.34
Trading	14.74	83.36
Stores, Spares & Components	99.90	118.12
Total	381.30	658.82

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

39 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2012	YEAR ENDED 31st MARCH, 2011
Director Foreign Traveling	2.25	0.03
Staff Foreign travelling	—	0.73
Exhibition	—	2.68
Repairs and maintenance	—	58.00
Total	2.25	61.44

40 EARNINGS IN FOREIGN CURRENCY

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2012	YEAR ENDED 31st MARCH, 2011
F.O.B. Value – Sales	25.59	24.61

41 REMITTANCE ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS

(i) Remitted in Foreign Currency

PARTICULARS	YEAR ENDED 31st MARCH, 2012	YEAR ENDED 31st MARCH, 2011
Year to which Dividend relates	Year Ended March 31, 2011	Year Ended March 31, 2010
Amount of Dividend remitted (₹ In Lacs)	3.72	4.25
Number of Non-Resident Shareholders to whom remittance was made	27	30
Number of Shares held on which Dividend was due and remitted	297,800	339,800
Face Value of each share(₹)	10	10

(ii) Remitted to their Banks in India

PARTICULARS	YEAR ENDED 31st MARCH, 2012	YEAR ENDED 31st MARCH, 2011
Year to which Dividend relates	Year Ended March 31, 2011	Year Ended March 31, 2010
Amount of Dividend remitted (₹ In Lacs)	16.21	16.16
Number of Non-Resident Shareholders to whom remittance was made	30	28
Number of Shares held on which Dividend was due and remitted	1,300,766	1,292,676
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, Mitex Gummifabrik 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 will be engaged in the manufacturing of Rubber Rollers and Poly Urethene Rollers. The newly formed Company has yet not commenced its commercial operations. The Company has interests in the following jointly controlled entity:

Name of companies and country of incorporation	% of shareholding	Amount of interest based on accounts for the year ended 31 March, 2012 (₹ in lacs)			
		Assets	Liabilities	Capital commitments	Contingent Liability
HMSU Rollers (India) Pvt. Ltd, India (unaudited)	20%	55.83	1.95	121.31	—

43 ACQUISITION MADE DURING THE YEAR

In April 2011, the Company has entered into Joint Venture Agreement with Re S.p.A. Controlli Industriali, an Italy based Company to form a subsidiary named ReShilp Equipments (India) Private Limited with the main object to manufacture all types of Web Control & Reel Management systems and other related plants and machineries. The Company has acquired 51% stake in the said subsidiary Company. The subsidiary Company has commenced its commercial operations from 1st August, 2011.

44 PREVIOUS YEAR'S FIGURES

The company prepares and presents its financial statement as per Schedule VI to the companies Act, 1956, as per applicable from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the central Government, the financial statements for the financial year ended 31st March, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped / reclassified to confirm to the current year's classification.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah

Partner
(Membership No.35701)

Place : Ahmedabad

Date : 28th April, 2012

For and on behalf of the Board

Ambar J. Patel

Managing Director

Roshan H. Shah

Executive Director

Gajanan V. Bhavsar

Executive Director

Pragnesh Darji

Company Secretary

Place : Rakanpur

Date : 28th April, 2012

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	6.84
Total Assets	342.74
Total Liabilities	342.74
Investments	—
Turnover	448.44
Profit Before Taxation	11.20
Provision for Taxation	4.36
Profit after Taxation	6.84
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, 2012

1. Name of the Company	ReShilp Equipments (India) Private Limited
2. Financial year of the subsidiary company ended on	31st March, 2012
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.	NA since it became Subsidiary during the year
2) Not dealt with in the Company's Accounts:	
(a) For the Financial Year of Subsidiary Company.	Rs. 3.49 Lacs
(b) For the previous Financial Year of Subsidiary Company.	NA since it became Subsidiary during the year
5. Statement of changes under Section 212(5) of the Companies Act, 1956:	
(i) Fixed Assets, Capitalised Assets & WIP	—
(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

CONSOLIDATED AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SHILP GRAVURES LIMITED

1. We have audited the attached Consolidated Balance Sheet of **SHILP GRAVURES LIMITED** ("the Company"), its subsidiary and jointly controlled entity (the Company, its subsidiary and jointly controlled entity constitute "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investment in the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets (net) of ₹336.94 lacs, as at 31st March, 2012, total revenues of ₹ 448.44 lacs and net cash inflows amounting to ₹17.48 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose report have been furnished to us and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of the other auditor.
4. We have relied on the unaudited financial statements of a jointly controlled entity whose financial statements reflect total assets of ₹279.13 lacs as at 31st March, 2012, total revenues of ₹ NIL and net cash inflows amounting to ₹ 141.75 lacs for the year ended on that date. These unaudited financial statements have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of this jointly controlled entity, is based solely on such unaudited financial statements.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiary and the joint venture, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - (ii) 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
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, 28th April, 2012

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

(₹ in Lacs)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2012
A EQUITY AND LIABILITIES		
1 SHAREHOLDERS' FUNDS		
(a) Share capital	3	614.98
(b) Reserves and surplus	4	2,773.81
		3,388.79
2 MINORITY INTEREST		31.39
3 NON-CURRENT LIABILITIES		
(a) Long-term borrowings	5	569.20
(b) Deferred tax liabilities (net)	27	486.91
(c) Long-term provisions	6	76.15
		1,132.26
4 CURRENT LIABILITIES		
(a) Short-term borrowings	7	990.89
(b) Trade payables	8	608.25
(c) Other current liabilities	9	362.84
(d) Short-term provisions	10	110.99
		2,072.97
TOTAL		6,625.41
B ASSETS		
1 NON-CURRENT ASSETS		
(a) Fixed assets	11	
(i) Tangible assets		3,986.43
(ii) Intangible assets		211.07
(iii) Capital work-in-progress		79.32
(b) Long-term loans and advances	12	74.02
(c) Other non-current assets	13	6.09
		4,356.93
2 CURRENT ASSETS		
(a) Current investments	14	1.75
(b) Inventories	15	535.69
(c) Trade receivables	16	1,415.48
(d) Cash and cash equivalents	17	166.08
(e) Short-term loans and advances	18	149.48
		2,268.48
TOTAL		6,625.41
See accompanying notes forming part of the financial statements		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah

Partner
(Membership No.35701)

Place : Ahmedabad

Date : 28th April, 2012

For and on behalf of the Board

Ambar J. Patel
Managing Director

Gajanan V. Bhavsar
Executive Director

Place : Rakanpur

Date : 28th April, 2012

Roshan H. Shah
Executive Director

Pragnesh Darji
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

	PARTICULARS	NOTE NO.	YEAR ENDED 31st MARCH, 2012
1	Revenue from Operations (Net)	19	5,702.97
2	Other Income	20	25.96
3	TOTAL REVENUE (1+2)		5,728.93
4	EXPENSES		
	(a) Cost of materials consumed	21	1,890.37
	(b) Purchases of stock-in-trade		24.65
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	16.36
	(d) Employee benefits expense	23	1,049.65
	(e) Finance costs	24	200.83
	(f) Depreciation and amortisation expense	11	580.02
	(g) Other expenses	25	1,223.26
	TOTAL EXPENSES		4,985.14
5	Profit before Tax (3-4)		743.79
6	Tax Expenses		
	(a) Current tax expense for current year		183.76
	(b) Current tax expense relating to prior years		(14.44)
	(c) Net current tax expense		169.32
	(d) Deferred tax		46.49
			215.81
7	Profit after tax before minority interest (5-6)		527.98
8	Minority Interest		3.35
9	Profit attributable to shareholders of the Company (7-8)		524.63
10	Earnings per Share (of ₹ 10 each) Basic and Diluted (in ₹)	26	8.53
	See accompanying notes forming part of the financial statements		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah

Partner
(Membership No.35701)

Place : Ahmedabad

Date : 28th April, 2012

For and on behalf of the Board

Ambar J. Patel

Managing Director

Roshan H. Shah

Executive Director

Gajanan V. Bhavsar

Executive Director

Pragnesh Darji

Company Secretary

Place: Rakanpur

Date : 28th April, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Particulars	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax	743.79
Adjustments for :	
Depreciation and amortisation	580.02
Bad debts	61.60
Financial Cost	200.83
Interest Income	(3.27)
Dividend Income	(3.16)
(Profit)/Loss on Sale/Write off of Fixed Assets	(8.88)
Net unrealised exchange (gain)/loss	0.50
Discount on sales	53.15
Provision for Leave and Gratuity	0.99
	881.78
Operating profit/(loss) before working capital changes	1,625.57
<u>Changes in Working Capital:</u>	
Adjustments for increase / (decrease) in operating liabilities:	
Trade Payables	(16.43)
Long-term Provisions	0.10
Short-term Provisions	(90.33)
Other Current Liabilities	(7.28)
Adjustments for (increase) / decrease in operating assets:	
Trade Receivables	26.47
Inventories	(3.74)
Long-term Loans and Advances	13.84
Short-term Loans and Advances	(60.02)
Other Non-Current Assets	25.65
	(111.74)
Cash Generated from/(used in) Operations	1,513.83
Net income tax (paid)/refund	(184.71)
Net Cash flow from/(used in) Operating Activities (A)	1,329.12
B. CASH FLOW FROM INVESTING ACTIVITIES	
Capital expenditure on fixed assets, including capital advances	(919.59)
Proceeds from Sale of Fixed Assets	56.98
Bank balances not considered as Cash and cash equivalents	
- Matured	12.74
Current investments not considered as Cash and cash equivalents	
- Proceeds from sale	25.63
Interest received	
- Others	3.27
Dividend received	
- Others	3.16
Net Cash Flow from/(used in) Investing Activities (B)	(817.81)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd..)

(₹ in Lacs)

Particulars	2011-12
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from minority interest	28.04
Proceeds from Long Term Borrowings	513.00
Repayment of Long Term Borrowings	(200.50)
Net increase / (decrease) in working capital borrowings	(123.27)
Repayment of Other Short Term Borrowings	(419.25)
Financial Cost	(200.83)
Dividend Paid	(76.87)
Tax on Dividend	(12.47)
Net Cash Flow from/(used in) Financing Activities (C)	(492.15)
Net increase/(decrease) in Cash & Cash Equivalents (A+B+C)	19.16
Cash and Cash Equivalents at the beginning of the year	126.42
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.10)
Cash and Cash Equivalents at the end of the year	145.68
Reconciliation of Cash and cash equivalents with the Balance Sheet:	
Cash and cash equivalents as per Balance Sheet (Refer Note 17)	166.08
Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3)	20.40
Cash and cash equivalents at the end of the year *	145.68
* Comprises:	
(a) Cash on hand	7.01
(b) Cheques/Drafts on hand	3.46
(c) Balances with Banks	
(i) In Current Accounts	119.25
(ii) In deposit accounts with original maturity of less than 3 months	1.00
(iii) In earmarked accounts	
- Unpaid Dividends Accounts	14.96
	145.68

Notes :

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These 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
(Registration No.117365W)

Gaurav J. Shah

Partner
(Membership No.35701)

Place : Ahmedabad

Date : 28th April, 2012

For and on behalf of the Board

Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Place: Rakanpur

Date : 28th April, 2012

Roshan H. Shah

Executive Director

Pragnesh Darji

Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF CONSOLIDATION

The consolidated financial statements relate to Shilp Gravures Limited (the Company), its subsidiary company and joint venture. The Company, its subsidiary and joint venture constitute the Group.

a) Basis of Accounting:

- i. The financial statements of the subsidiary company and Joint venture used in the consolidation are drawn upto the same reporting date as of the Company, i.e. for the year ended 31st March, 2012.
- ii. The consolidated financial statements of the Group have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

b) Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

- i. 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.
- ii. 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.
- iii. 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".
- iv. 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.
- v. 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.

c) Particulars of Subsidiary and Joint Venture

Name of the Company	Country of Incorporation	Percentage of Voting Power as at 31st March, 2012
Subsidiary		
Reshilp Equipments (India) Private Limited	India	51%
Joint Venture		
HMSU Rollers (India) Private Limited	India	20%

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

The consolidated financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

2.2 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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.

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 depreciated 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.

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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 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.

2.13 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.

2.14 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, 2012	
	(NUMBER)	(₹ in Lacs)
Authorised: Equity Shares of ₹10 each with voting rights	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
Total	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, 2012	
	(NUMBER)	(₹ in Lacs)
At the beginning of the year	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

(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 (₹ in Lacs). 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 2012, the amount of per share dividend recognised as distributions to equity shareholders was ₹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, 2012	
	NO. OF SHARE HELD	% OF HOLDING
Baldev V. Patel	—	—
Vitthaladas H. Patel	782,356	12.72%
Hiraben V. Patel Jointly with Vitthaladas H. Patel	363,624	5.91%
Hiraben V. Patel	607,714	9.88%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

4 RESERVES AND SURPLUS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Capital Reserves	
State Capital Investment Subsidy	
Opening Balance	15.00
Add : Current Year Transfer	—
Less : Utilised/Transferred during the year	—
Closing Balance	15.00
b. General Reserve	
Opening Balance	734.76
Add : Transfer from the surplus in Statement of Profit & Loss	200.00
Less : Utilised/Transferred during the year	—
Closing Balance	934.76
c. Surplus in Statement of Profit & Loss	
Opening Balance	1,606.62
Add : Net Profit For the current year	524.63
Less: Appropriation	
Proposed Dividend (Amount per share ₹ 1.50)	92.24
Tax on Proposed Dividend	14.96
Transfer to General Reserves	200.00
Net surplus in the statement of profit and loss	1,824.05
Total	2,773.81

5 LONG TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Secured	
Term loans	
From Banks	
Indian Rupee Loan (Refer note (i) below)	391.65
From Financial Institutions (Refer note (ii) below)	5.02
	396.67
Unsecured	
Term loans	
From Financial Institutions (Refer note (iii) below)	172.53
	172.53
Total	569.20
Secured	
(i) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 391.65 Lacs. The loan is repayable in 60 Monthly installments of ₹11,50,038 each including interest, from March, 2012. The loan is secured by exclusive charge over the new three windmills acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.	
(ii) Hire purchase finances for Car amounting to ₹ 5.02 Lacs is secured by hypothecation of the Car.	
Unsecured	
(iii) Unsecured loan amounting to ₹ 172.53 Lacs taken from Life Insurance Corporation of India. The loan is availed against Keyman Insurance Policies of the key employees of the Company. The same to be paid on or before the maturity of the respective Keyman Insurance Policy.	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

6 LONG TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Provision for employee benefits	
Gratuity (Funded) (Refer Note 28)	57.38
Compensated Absences (unfunded) (Refer Note 28)	18.77
Total	76.15

7 SHORT TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Secured	
Loans repayable on demand	
Cash Credit from Banks (Refer note (i) and (ii) below)	988.19
	988.19
Unsecured	
Deposits	
Others	2.70
	2.70
Total	990.89
<p>(i) Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd. of ₹ 715.31 Lacs. The same is secured by present and future book debts and inventories of the Company, personal guarantee of some of the promoter directors and further secured by second charge over fixed assets held by The Royal Bank of Scotland.</p> <p>(ii) Working capital loan from The Royal Bank of Scotland of ₹ 272.87 Lacs. The same is secured by exclusive charge over entire fixed assets of the Company both present and future. Further, personal guarantee of all the promoter directors.</p>	

8 TRADE PAYABLES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Trade payables other than Acceptances (Refer Note 35)	608.25
Total	608.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

9 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Current maturities of long-term debt (Refer Note (i) below)	194.47
Interest accrued and due on borrowings	7.29
Unpaid dividends*	14.96
Other payables	
Statutory and Other Liabilities	22.05
Payable on Business Acquisition	5.87
Creditors for Capital Goods	53.93
Advances from Customers	64.27
Total	362.84
*There is no amount due and outstanding to be credited to Investor Education and Protection Fund	
(i) Current maturities of long-term debt	
Secured	
Term loans	
From Banks	
Indian Rupee Loan (Refer Note (a),(b) and (c) below)	190.72
From Financial Institutions (Refer Note (c) below)	3.75
Total	194.47
Secured	
(a) Indian Rupee loan from CITI Bank amounting to ₹ 67.67 Lacs. The loan is repayable in 12 Quarterly installments of ₹16,91,667 each excluding interest, from June, 2010. The loan is secured by exclusive charge over plant and machinery created out of that loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.	
(b) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 19.65 Lacs. The loan is repayable in 24 Monthly installments of ₹3,26,200 each including interest. The loan is secured by exclusive charge over entire movable plant and machinery acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.	
(c) For nature of security of the loans from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 103.40 Lacs and from financial institutions amounting to ₹ 3.75 Lacs, refer note 5 (i) and (ii).	

10 SHORT TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Provision for employee benefits	
Compensated Absences (unfunded) (Refer Note 28)	3.79
b. Others	
Proposed Dividend	92.24
Tax on Proposed Dividend	14.96
Total	110.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

11 FIXED ASSETS

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2011	Additions	Disposals	As at 31st March, 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012
a Tangible Assets										
Land	62.68	—	—	62.68	—	—	—	—	62.68	62.68
Buildings	731.33	32.41	15.58	748.16	108.12	22.06	1.36	128.82	623.21	619.34
Plant and Equipments	6,025.29	694.35	4.05	6,715.59	3,496.11	345.62	0.33	3,841.40	2,529.18	2,874.19
Furniture and Fixtures	144.09	8.35	4.20	148.24	65.63	8.74	0.71	73.66	78.46	74.58
Vehicles	188.75	39.44	42.20	185.99	61.07	18.80	22.18	57.69	127.68	128.30
Office Equipments and Computers	466.08	42.91	0.45	508.54	309.22	65.32	0.12	374.42	156.86	134.12
Electrical Installations	151.36	3.09	7.24	147.21	47.58	7.33	0.92	53.99	103.78	93.22
Total	7,769.58	820.55	73.72	8,516.41	4,087.73	467.87	25.62	4,529.98	3,681.85	3,986.43
b Intangible Assets										
Goodwill	560.44	—	—	560.44	238.75	112.09	—	350.84	321.69	209.60
Computer software	—	1.53	—	1.53	—	0.06	—	0.06	—	1.47
Total	560.44	1.53	—	561.97	238.75	112.15	—	350.90	321.69	211.07
c Capital Work In Progress										
Total									20.47	79.32
Grand Total	8,330.02	822.08	73.72	9,078.38	4,326.48	580.02	25.62	4,880.88	4,024.02	4,276.82

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

12 LONG TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Capital Advances	
Unsecured, considered good	40.35
b. Security Deposits	
Unsecured, considered good	33.67
Total	74.02

13 OTHER NON-CURRENT ASSETS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Bank Deposits more than 12 months maturity period*	1.99
Preliminary and Pre-operative expenses	4.10
Total	6.09

* Bank deposit amounting to ₹ 1.99 Lacs is under lien.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

14 CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Investment in Equity instruments - Unquoted (at Cost)	1.75
Total	1.75

15 INVENTORIES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Raw Materials and components	341.26
b. Work-in-progress	112.65
c. Finished goods	5.95
d. Stock-in-trade	22.36
e. Stores and spares	46.37
Goods-in transit	4.48
g. Packing Materials	2.62
Total	535.69

16 TRADE RECEIVABLES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Unsecured, considered good	
Outstanding from the date they are due for payment	
a. less than six months	1,324.90
b. exceeding six months	90.58
Total	1,415.48

17 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Cash on hand	7.01
b. Cheques, drafts on hand	3.46
c. Balances with banks	
(i) In Current Accounts	119.25
(ii) In Deposits Accounts with original maturity of less than 3 months	1.00
(iii) In Earmarked Accounts	
- Unpaid dividend accounts	14.96
	145.68
d. Others	
Bank Deposits with more than 3 months, but below 12 months maturity	20.40
Total	166.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

18 SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31st MARCH, 2012 (₹ in Lacs)
Unsecured, considered good	
Advance to Suppliers	29.06
Advance Income Tax (Net of Tax Provisions of ₹358.62 Lacs)	32.27
Deposits	
To Related Parties	1.74
To Others	4.68
Prepaid Expenses	39.83
Balances with Government Authority	9.38
Others	
To Related Parties	1.46
To Others	31.06
Total	149.48

19 REVENUE FROM OPERATIONS

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Sale of products	4,494.76
Less : Excise Duty	441.05
	4,053.71
Sale of services	1,746.04
Less : Service Tax	163.33
	1,582.71
Trading Sales	46.22
Other Operating Revenue	
- Scrap Sales	72.82
- Others	0.66
Less: Discount on sales	53.15
Total	5,702.97

20 OTHER INCOMES

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Interest Income	3.27
Dividend Income	3.16
Recovery of Bad debts written off in earlier years	7.62
Rent Income	0.90
Profit on sale of fixed assets (net)	8.88
Miscellaneous Income	2.13
Total	25.96

21 COST OF RAW MATERIAL CONSUMED

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Inventory at the beginning of the year	338.81
Add : Purchase	1,892.82
	2,231.63
Inventory at the end of the year	341.26
Total	1,890.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
OPENING INVENTORIES	
Finished Goods	3.35
Work-in-progress	123.01
Stock-in-trade	30.96
	157.32
CLOSING INVENTORIES	
Finished Goods	5.95
Work-in-progress	112.65
Stock-in-trade	22.36
	140.96
Change in Inventories	16.36

23 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Salaries, Wages and bonus	903.90
Contributions to Provident and other funds	55.25
Staff welfare expenses	90.50
Total	1,049.65

24 FINANCE COSTS

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Interest expense	
On term loans	49.66
On working capital loans	120.37
Others	27.89
	197.92
Other borrowing costs	2.91
Total	200.83

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

25 OTHER EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Stores, Spares & Consumables	353.83
Packing Materials Consumed	71.09
Power, Fuel & Electricity	144.70
Repairs and Maintenance	
Plant & Machinery	54.28
Building	32.10
Others	23.57
Factory Expenses	28.71
Rent, Rates & Taxes	21.96
Legal and Professional Charges	56.58
Conveyance and Travelling	95.13
Communication Expenses	22.08
Stationary, Printing and subscription	10.53
Insurance Premium	37.99
Payment to auditors (Refer details below)	8.15
Computer Expenses	12.67
Bad debts	61.60
Donation	3.98
Clearing & Forwarding	71.81
Sales Commission	
to sole selling agent	7.67
to others	29.32
Advertisement and Business Promotion	31.58
Royalty Exps	—
Preliminary & Preoperative Exps Written off	—
Loss on foreign exchange rate fluctuation (net)	10.48
Miscellaneous Expenses	33.45
Total	1,223.26
Payments to the auditors comprises of:	
Audit Fee	6.46
Management Service	1.50
Reimbursement of expenses	0.19
Total	8.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

26 EARNING PER SHARE (EPS)

PARTICULARS	YEAR ENDED 31st MARCH, 2012
Basic and Diluted	
Profit attributable to equity share holders (₹ in lacs)	524.62
Nominal Value of equity share (₹)	10
Weighted average number of ordinary equity share for Basic EPS (Nos.)	6,149,800
Basic and Diluted EPS (₹)	8.53

27 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, 2012
Deferred Tax Liability	
Difference between book and tax depreciation	487.72
	487.72
Deferred Tax Asset	
Disallowance under the Income Tax Act, 1961	(0.80)
	(0.80)
Deferred Tax Liability (net)	486.91

28 EMPLOYEE BENEFITS

The present value of gratuity and leave encashment obligations is determined based on actuarial valuation 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	YEAR ENDED 31st MARCH, 2012	
	Gratuity (₹ in Lacs)	Leave Encashment (₹ in Lacs)
Current service cost	10.16	2.05
Interest Cost	9.31	1.66
Expected return on plan assets	(5.42)	—
Net actuarial losses (gains)	2.39	(1.18)
Total	16.44	2.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

Particulars	YEAR ENDED 31st MARCH, 2012	
	Gratuity	Leave Encashment
Defined benefit obligation at beginning of the year	111.67	19.93
Service cost	10.16	2.05
Interest cost	9.31	1.66
Actuarial losses (gains)	2.39	(1.18)
Benefits paid	(5.01)	—
Defined benefit obligation at year end of the year	128.52	22.46

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

Particulars	YEAR ENDED 31st MARCH, 2012	
	Gratuity	Leave Encashment
Fair value of plan assets as at April 1, 2011	52.65	—
Expected return on plan assets	5.42	—
Contributions by employer	18.08	—
Benefits paid	(5.01)	—
Fair value of plan assets at year end	71.14	—

IV. Investment details:

Particulars	% invested as at 31st MARCH, 2012
Insurance Company	100%

V. Actuarial Assumptions: (₹ in Lacs)

Particulars	YEAR ENDED 31st MARCH, 2012	
	Gratuity	Leave Encashment
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.50%	8.50%
Expected Return on plan assets (per annum)	9.15%	—
Rate of escalation in salary (per annum)	6.00%	6.00%

VI. Past four year's data for defined benefit obligation and fair value of plan is as under: (₹ in Lacs)

Particulars	2007-08	2008-09	2009-10	2010-11
Present value of defined benefit obligations at the end of the year (Independent actuary)	70.50	80.01	97.79	111.67
Fair value of plan assets at the end of the year	27.32	32.62	45.11	52.65
Net assets / (Liability) at the end of the year	43.18	47.39	52.68	59.02

The contribution expected to be made by the Company during the financial year 2012-13 has not been ascertained.

2. Defined Contribution Plans.

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

PARTICULARS	YEAR ENDED 31st MARCH, 2012
Employer's Contribution to Provident Fund	32.38
Employers' Contribution to Superannuation Fund	6.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

29 LEASES

The Company has taken vehicles on hire purchase financing and hire purchase installments amounting to ₹0.44 Lacs (P.Y. ₹0.92 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, 2012
Not later than 1 year	3.75
Later than 1 year but not later than 5 years.	5.02

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 15.14 Lacs (P.Y. ₹ 17.20 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, 2012
Not later than 1 year	14.22
Later than 1 year but not later than 5 years.	4.14

30 CAPITAL AND OTHER COMMITMENTS

(₹in Lacs)

PARTICULARS	AS AT 31st MARCH, 2012
Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance)	22.09
Estimated amount of investment to be made in joint venture	142.00

31 CONTINGENT LIABILITIES

(₹in Lacs)

PARTICULARS	AS AT 31st MARCH, 2012
Disputed demand not acknowledged as debt against which the Company has preferred appeal	18.25
Bills Discounted	72.69

32 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. Shailesh K. Shah Mr. Roberto Galbiati	Key Management Personnel
Mr. Narendra Patil Mr. Atul Vinchhi Dr. B. V. Patel Mr. Vitthalaldas H. Patel	Individuals exercising significant influence over the enterprise
Shilp Ultra-tech Pvt Ltd. Stylus Infrastructure Pvt Ltd. Carol Enterprise Carol Re S.p.A Controlli Industrial Hira Corporation	Entity controlled by Key Management Personnel
Mr. Deval A. Patel	Relative of Key Management Personnel
Mr. Siddharth N. Patil	Relative of Individuals exercising significant influence over the enterprise

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

b) Transactions with related parties

(₹ in Lacs)

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
Sale of goods			4.88		4.88
Purchase of goods			118.80		118.80
Rent Paid			11.96		11.96
Rent Received			0.90		0.90
Commission paid/provided			12.06		12.06
Services received			1.47		1.47
Reimbursement of expenses	5.55				5.55
Interest Paid/Provided		0.75	13.19	2.77	16.71
Acceptance of Fixed Deposit			55.00		55.00
Repayments of Deposits		11.80	164.50	70.25	246.55
Dividends paid		8.74		14.83	23.57
Remuneration		123.53		94.26	217.79
Outstanding balance (Cr.)			98.40		98.40

c) Disclosure in respect of material transactions with related parties

(₹ in Lacs)

Nature of transactions	Name of the related party	YEAR ENDED 31st MARCH, 2012
Sale of goods	Shilp Ultratech Private Limited	4.88
Purchase of goods	Re S.p.A Controlli Industrial	118.80
Rent Paid	Stylus Infrastructure Pvt. Ltd Hira Corporation	6.55 5.41
Commission paid/provided	Shilp Ultratech Private Limited	12.06
Services received	Shilp Ultratech Private Limited	1.47
Interest Paid	Dr. Baldev Patel Stylus Infrastructure Private Limited	2.11 12.29
Acceptance of Fixed Deposit	Stylus Infrastructure Private Limited	55.00
Repayment of Deposits	Narendra R. Patil Dr. Baldev Patel Stylus Infrastructure Private Limited	7.00 53.00 154.50
Dividends paid	Mr. Ambar J. Patel Mr. Atul Vinchhi Mr. G.V. Bhavsar Dr. B. V. Patel	3.05 3.77 3.96 7.00
Remuneration	Mr. Ambar J. Patel Mr. Roshan Shah Mr. Narendra Patil Mr. Atul Vinchhi Mr. G.V. Bhavsar Mr. Shailesh K. Shah	40.52 40.14 40.14 40.14 40.14 9.07
Outstanding balance (Cr.)	Shilp Ultratech Private Limited Re S.p.A Controlli Industrial	14.76 83.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

33 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)

Particulars	Engraved Copper Roller	Wind Mill	Others	Unallocated	Total
Sales	4,858.22	94.99	844.75		5,797.96
Less: Inter segment sales		94.99			94.99
Segment revenue	4,858.22	—	844.75		5,702.97
Segment results	853.15	61.72	29.73		944.60
Capital Employed	2,157.00	776.65	362.11	662.20	3,957.96

34 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	USD 16448.00	8.35
Amounts payable in foreign currency	CHF 24802.90 EUR 122225.14 USD 11270.00	14.17 84.15 5.72

35 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.

36 INTEREST IN JOINT VENTURE

The Company has entered into a Joint Venture Agreement with three Companies namely, Hannecard, Mitex Gummifabrik 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 will be engaged in the manufacturing of Rubber Rollers and Poly Urethene Rollers. The newly formed Company has yet not commenced its commercial operations.

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

Name of companies and country of incorporation	% of shareholding	Amount of interest based on accounts for the year ended 31 March, 2012 (₹ in lacs)			
		Assets	Liabilities	Capital commitments	Contingent Liability
HMSU Rollers (India) Pvt. Ltd, India	20%	55.83	1.95	121.31	—

37 ACQUISITION MADE DURING THE YEAR

In April 2011, the Company has entered into Joint Venture Agreement with Re S.p.A. Controlli Industriali, an Italy based Company to form a subsidiary named ReShilp Equipments (India) Private Limited with the main object to manufacture all types of Web Control & Reel Management systems and other related plants and machineries. The Company has acquired 51% stake in the said subsidiary Company. The subsidiary Company has commenced its commercial operations from 1st August, 2011.

38 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.

39 During the current financial year, the Company has made acquisition in the subsidiary company and the joint venture company and hence there are no comparative figures.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah

Partner
(Membership No.35701)

Place : Ahmedabad

Date : 28th April, 2012

For and on behalf of the Board

Ambar J. Patel
Managing Director

Roshan H. Shah
Executive Director

Gajanan V. Bhavsar
Executive Director

Pragnesh Darji
Company Secretary

Place : Rakanpur

Date : 28th April, 2012

ELECTRONIC CLEARING SERVICE MANDATE FORM

To, Sharepro Service (India) Private Limited 416 - 420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad 380 006 (in case of physical holding)	To, The Depository Participant Concerned (In case of Electronic holding)
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Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND

Please fill in the information in CAPITAL LETTERS. Please TICK wherever it is applicable.

FOR shares held in Physical Form		Registered Folio No.:											
For Shares Held in Electronic Form (shareholders holding shares in electronic form should forward this form to their respective Depository Participant)													
DP ID:	I	N											
CLIENT ID:													
Name of the First Holder													
First Holder's Address													
E-mail ID													
Bank Name													
Branch Name & Address													
Branch Code													
(9 digits code number appearing on the MICR Band of the cheque supplied by the Bank. Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the Bank Name, Branch Name and Code Number.)													
Account Type:	Savings	Current	Cash Credit										
Account No.													

Date from which the mandate should be effective : _____

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I shall not hold Shilp Gravures Limited or Sharepro Services (India) Private Limited responsible. I also undertake to inform about any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

PLACE : _____

(Signature of Sole/ First holder)

DATE : _____



SHILP GRAVURES LIMITED

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

**ANNUAL GENERAL MEETING
PROXY FORM**

I/ We _____ of _____ being a member/ members of SHILP GRAVURES LIMITED hereby appoint _____ of _____ or failing him/ her _____ of _____ as my / our representative to attend and vote for me/ us on my/ our behalf at the 19th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company on Saturday 04th August, 2012 at 05.00 p.m. and any adjournment thereof.

Signed this _____ day of _____ 2012

Ledger Folio No. _____

DP ID* _____

Client ID* _____

No. of Shares held _____

* Applicable for the members holding Shares in electronic form.

Affix
1/-
Rupee
Revenue
Stamp

(Signature of the Member)

Note:

- 1) This form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- 2) The proxy should not be a member of the Company.

SHILP GRAVURES LIMITED

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

**ATTENDANCE SLIP
TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL**

Full name of the Member attending _____

(In Block Letters) _____

Full name of the Proxy _____

(In Block Letters) (To be filled in if the proxy attends instead of the Member)

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company at 5.00 p.m. on Saturday, 04th August, 2012 at the registered office of the Company.

Signed this _____ day of _____ 2012

Ledger Folio No. _____

DP ID* _____

Client ID* _____

No. of Shares held _____

* Applicable for the members holding Shares in electronic form.

(Member's/ Proxy Signature)
(To be signed at the time of handing over the slip)

