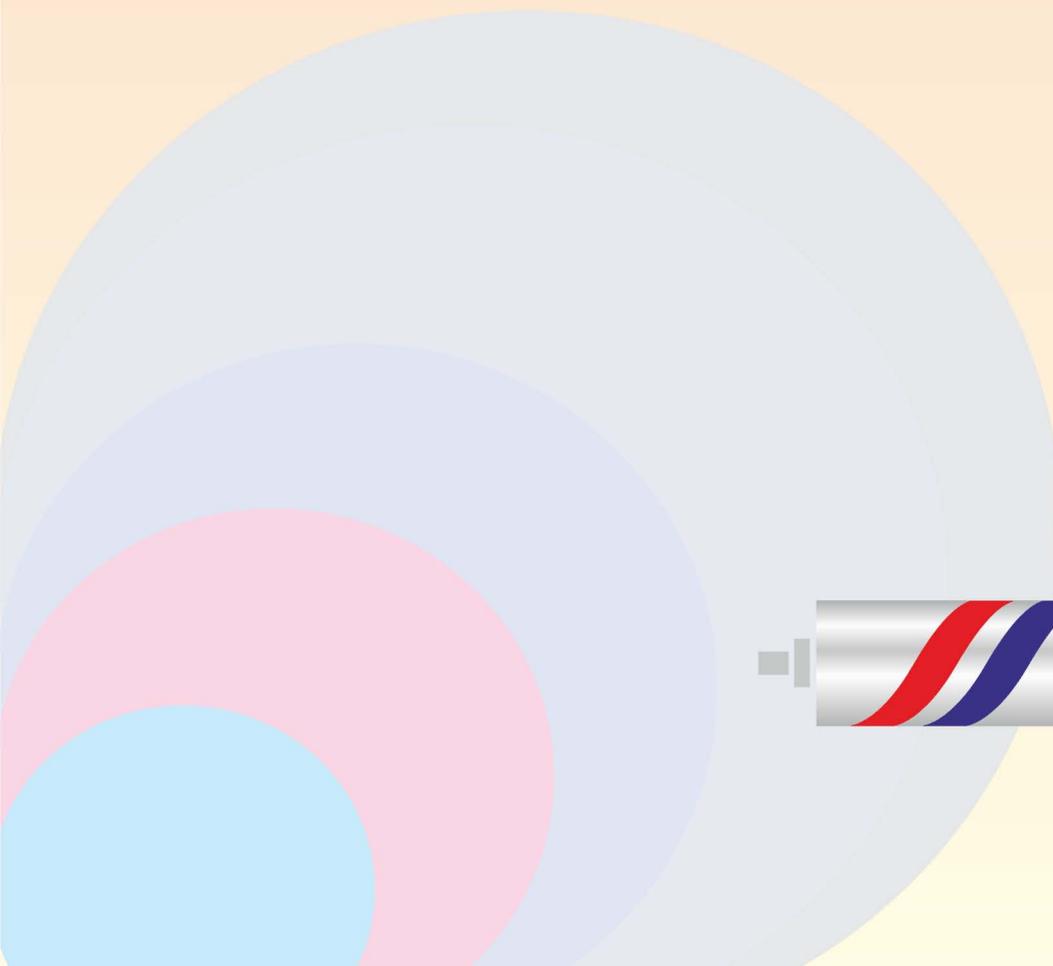


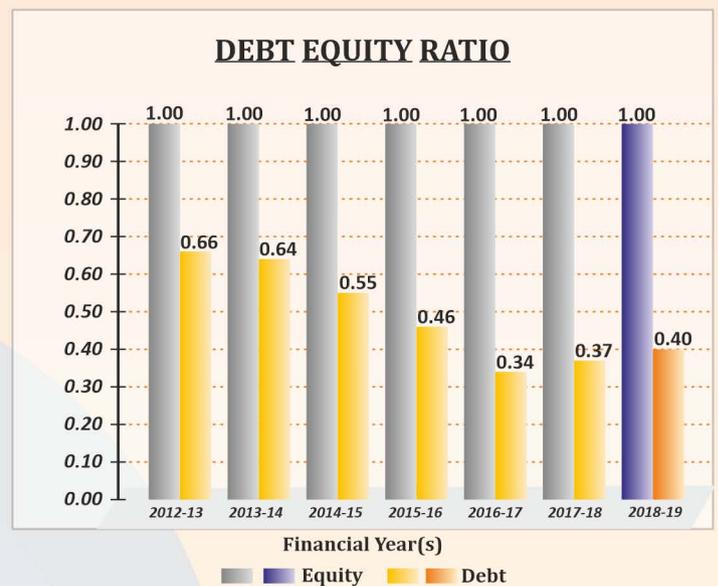
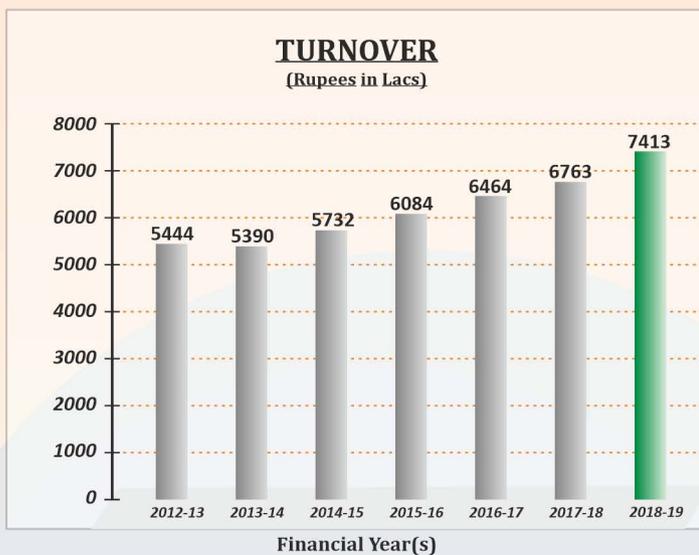
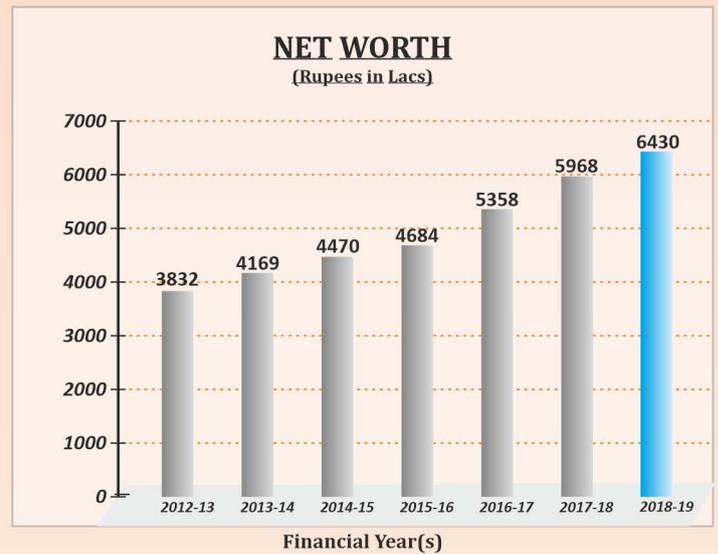


2018-19



SHILPTM
GRAVURES
LIMITED

FINANCIAL HIGHLIGHTS



SHILP™
GRAVURES
LIMITED

CORPORATE INFORMATION
CIN NO. : L27100GJ1993PLC020552

BOARD OF DIRECTORS:

| | |
|---|--|
| Mr. Ambar J. Patel (DIN 00050042) | Managing Director |
| Mr. Chinubhai R. Shah (DIN 00558310) | Independent Director (upto 14th May, 2018) |
| Mr. Shailesh C. Desai (DIN 00169595) | Independent Director |
| Mr. Jainand G. Vyas (DIN 02656340) | Independent Director |
| Mr. Nipam R. Shah (DIN 00093697) | Non - Executive Director |
| Mr. Kirit Patel (DIN 00380319) | Additional Director (w.e.f. 4th August, 2018) |
| Mrs. Monica H. Kanuga (DIN 06919996) | Non - Executive Director |

REGISTERED OFFICE & WORKS:

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

CORPORATE OFFICE:

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

REGISTRAR & SHARE TRANSFER AGENT:

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

CHIEF EXECUTIVE OFFICER

Mr. Roshan H. Shah

CHIEF TECHNICAL OFFICER

Mr. Narendra R. Patil

CHIEF OPERATING OFFICER

Mr. Atul M. Vinchhi

CHIEF MARKETING OFFICER

Mr. Gajanan V. Bhavsar

CHIEF FINANCIAL OFFICER

Mr. Amit P. Agrawal

COMPANY SECRETARY

Mr. Bharat P. Patel

AUDITORS:

Shah & Shah Associates
Chartered Accountants
702, Aniket, Nr. Municipal Market,
Navrangpura,
Ahmedabad 380 009

BANKERS:

HDFC Bank
ICICI Bank
Axis Bank
Bank of Baroda

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NOTICE

NOTICE is hereby given that, the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the members of **SHILP GRAVURES LIMITED** will be held on **Monday, the 26th day of August, 2019 at 4.00 p.m.** at the Registered Office of the Company at 778/6, Pramukh Industrial Estate, Sola - Santej Road, Village Rakanpur, Taluka. Kalol, Dist. Gandhinagar – 382 722, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Balance Sheet of the Company as at 31st March, 2019 and Statement of Profit & Loss for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2018-19.
3. To appoint a Director in place of Mr. Nipam Shah (DIN: 00093697), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Kirit Patel (DIN: 00380319) as an Independent Director

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

“RESOLVED THAT Mr. Kirit Patel (DIN 00380319), who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 4, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Article 88 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Mr. Kirit Patel (DIN 00380319), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing August 4, 2018 to August 3, 2023, be and is hereby approved.”

5. Re-appointment of Mr. Shailesh Desai (DIN: 00169595) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Shailesh Desai (DIN 00169595), who was appointed as an Independent Director at the twenty first Annual General Meeting of the Company and who holds office up to September 02, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 3, 2019 upto September 2, 2024.”

6. Re-appointment of Mr. Jainand Vyas (DIN: 02656340) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Jainand Vyas (DIN: 02656340), who was appointed as an Independent Director at the twenty first Annual General Meeting of the Company and who holds office up to September 02, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 3, 2019 upto September 2, 2024.”

7. To approve transaction with Related Party(s) u/s 188 of the Companies Act, 2013:

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

“RESOLVED THAT, pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, consent be and is hereby accorded for entering into Related Party Transaction by the Company with effect from 01st April, 2019 up to the Maximum per annum amount for the transaction as appended below:

| Sr. | Name of Related Party(s) | Relationship | Nature of Transaction | Duration | Amount |
|-----|--------------------------|-------------------------|------------------------------------|---|--------------------------------|
| 1. | Mrs. Monica Kanuga | Non- Executive Director | Rendering of Professional Services | 1 st April, 2019 to 31 st March, 2020 | Rs. 10.00 Lacs (not exceeding) |

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

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

Sd/-
Bharat Patel
Company Secretary

Place: Rakanpur
Date: 27th April, 2019
CIN: L27100GJ1993PLC020552

NOTES:

- The Company’s Statutory Auditors, M/s. Shah & Shah Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting of the Members held on July 14, 2018, on a remuneration to be determined by the Board of Directors. Their appointment was subject to ratification by the Members at every subsequent Annual General Meeting held after the AGM held on July 14, 2018.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the above, ratification of the Members for continuance of their appointment at this Annual General Meeting is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.
- The respective Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 4 to 7 of the accompanying Notice is annexed hereto.
- A statement giving additional details of the Directors seeking appointment/re-appointment as set out at Item Nos. 4 to 7 is annexed herewith as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the Registered Office of the Company not later than forty-eight hours before the commencement of the Meeting.
- A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
- Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the Meeting.
- Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DPID and Client ID/Folio No. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
- Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company’s Registered Office on all working days, during the office hours up to the date of the Meeting.

10. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 20th August, 2019 to Monday, 26th August, 2019, both days inclusive, for payment of dividend, if declared, at the Meeting.
11. The Company has fixed Monday, 19th August, 2019 as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2019.
12. If dividend is declared at the Annual General Meeting, the payment thereof shall be made on or after Friday 30th August, 2019 to those Members of the Company whose names appear in the Register of Members of the Company as of end of the day on 19th August, 2019 as under.
 - a) To all beneficial owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 19th August, 2019.
 - b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer request lodged with the Company on or before the close of business hours on 19th August, 2019.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
14. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority: Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), all shares on which dividend has not been claimed for seven consecutive years have been transferred to IEPF Authority. The Shareholders are requested to visit the website of the Company i.e., <https://www.shilpgravures.com> to know the procedure for claiming Shares and Dividends transferred to Investor Education and Protection fund Authority.
15. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, the unclaimed final dividend for the financial year 2010-11, to the Investor Education and Protection Fund (IEPF) established by the Central Government.
 Further, in terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto and notifications issued by the Ministry of Corporate Affairs from time to time, the Company has transferred during the year, the required number of shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account. In line with the same, your Company has furnished the information on MCA website as well as on its own website <https://www.shilpgravures.com>. Members are requested to check the particulars and put up their claim for amount lying unclaimed with the Company or the Registrar and Share Transfer Agent.
16. Members holding shares in their single names are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company whilst those Members holding shares in demat mode should file their nomination with their Depository Participant.
17. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after December 5, 2018 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline was extended by SEBI to March 31, 2019. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode.
18. Following is the name and address of the Registrar & Share Transfer Agents:
Link Intime (India) Private Limited [LI IPL]
 5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC -1),
 Beside Gala Business Centre, Nr. St. Xavier's College Corner,
 Off C.G. Road, Navrangpura, Ahmedabad -380009
 Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearance Services (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name, Email address, contact numbers, etc. to their Depository Participants (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agents, Link Intime (India) Private Limited (LI IPL), to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to (LI IPL).
19. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
20. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

21. The Notice of the AGM along with the Annual Report 2018 – 19 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
22. To support “Green Initiative”, the members who have not registered their e-mail addresses so far, are requested to register the same with RTA / depositories.
23. Members are requested to bring their copy of the Annual Report and Attendance Slip to the Annual General Meeting.
24. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

| Sr. No | Year | Percentage of Dividend | Date of Declaration | Due date for transfer to the Investor Education and Protection Fund |
|--------|------------------------------|------------------------|---------------------|---|
| 1 | 2011-2012 – Final Dividend | 15.00% | 04-08-2012 | 03-09-2019 |
| 2 | 2012-2013 – Final Dividend | 15.00% | 14-08-2013 | 13-09-2020 |
| 3 | 2013-2014 – Final Dividend | 12.00% | 03-09-2014 | 02-09-2021 |
| 4 | 2014-2015 – Final Dividend | 12.00% | 23-09-2015 | 22-09-2022 |
| 5 | 2015-2016 – Final Dividend | 12.00% | 23-09-2016 | 20-09-2023 |
| 6 | 2016-2017 – Final Dividend | 15.00% | 23-09-2017 | 21-09-2024 |
| 7 | 2017-2018 – Final Dividend | 15.00% | 14-07-2018 | 13-07-2025 |
| 8 | 2018-2019 – Interim Dividend | 25.00% | 12-11-2018 | 11-11-2026 |

The Shareholders who have not encashed the aforesaid dividends are requested to make their claim to the Secretarial Department of the Company at cs@shilpgravures.com, purvipatel@shilpgravures.com

25. Route Map showing directions to reach to the venue of the 26th AGM is attached to this Annual Report as per the requirement of the Secretarial Standard-2 on “General Meetings” issued by the Institute of Company Secretaries of India.

26. Voting Process:-

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

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

The instructions for shareholders voting electronically are as under:

- (i) The E-voting period commences on 22nd August, 2019 (09.00 a.m.) and ends on 25th August, 2019 (05.00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the relevant date (Cut-off) of 19th August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

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

- (viii) After entering these details appropriately, click on **"SUBMIT"** tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Shilp Gravures Ltd. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the relevant date of 19th August, 2019.
- (xxii) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/ her existing User ID and password for casting the vote.
- (xxiii) Mrs. Monica Kanuga, Company Secretary in Practice has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- (xxv) The result declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.shilpgravures.com> and on the website of CDSL <https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to the BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT

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

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 (Act), sets out all the material facts relating to the business proposed to be transacted under Item Nos. 4 to 7 of the accompanying Notice dated April 27, 2019.

Item No. 4:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Kirit Patel (DIN 00380319) as Additional Director of the Company and also as Independent Director w.e.f. 04th August, 2018, not liable to retire by rotation, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 88 of the Articles of Association of the Company, Mr. Kirit Patel shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

The Company has received declaration from Mr. Kirit Patel to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, he fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and he is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

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

Mr. Kirit Patel is Bachelor of Chemical Engineering. He has more than 30 years of rich experience in polymer technology and has extensively worked to find better solutions in developing products for Pharmaceutical, Cosmetics, Pvc and Textile industries. Presently, he is Executive Director of Corel Pharma Chem Private Limited. He is also associated with Universal Medicap Limited and C D Commodities Broking Limited as director and is also actively associated as Trustee of Kadi Sarva Vishav Vidhyalaya.

Further details and current directorships of the above Director is provided in the Annexure to this Notice. In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Mr. Kirit Patel as Independent Director is being placed before the Members for their approval.

The Board recommends the Resolution at Item No. 4 of this Notice for approval of the Members.

None of the other Director and Key Managerial Personnel of the Company and their respective relatives, except Mr. Kirit Patel is, in any way, concerned or interested, in the Resolution set out at **Item Nos. 4** of the Notice.

Item No. 5 & 6:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Shailesh Desai (DIN 00169595) and Mr. Jainand Vyas as Independent Directors, for a second term of five years from September 3, 2019 to September 2, 2024, not liable to retire by rotation.

Mr. Shailesh Desai and Mr. Jainand Vyas were appointed as Independent Directors at the twenty first Annual General Meeting ("AGM") of the Company and holds office up to September 2, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from Members, proposing their candidature for the office of Director.

The Board, based on the recommendation of Nomination and Remuneration Committee, considers that given their background, experience and contribution, the continued association of Mr. Shailesh Desai and Mr. Jainand Vyas would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

The Company has received a declaration from them to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, they fulfill the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Directors and are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

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

Mr. Shailesh Desai is a leading Tax Consultant practicing in Ahmedabad. Mr. Desai started his independent practice in the year 1983 in the field of Income Tax, Sales Tax, other Allied Laws and now under GST. Since then he has been dealing with Income Tax Matters and Financial Planning with reference to prevailing tax laws. He has occupied various positions at Professional Associations like: Member of Managing Committee, Treasurer, Hon. Jt. Secretary, Vice President of Income Tax Bar Association, Ahmedabad and later on became President in the year 2002 and 2003, Hon. Secretary - All Gujarat Federation of Tax Consultants in the year 2001-02, Vice President in the year 2002-2003 and President in the year 2012-13. He was also a Member of the Taxation Committee of Gujarat Chamber of Commerce and Industry in the year 2001-02, 2002-03, 2012-13 and 2018-19.

Mr. Jainand Vyas is a Chartered Accountant, fellow member of Institute of Chartered Accountants of India, having rich experience of more than 35 years in the field of accounts, finance, audit, taxation etc. He had worked with reputed companies like, GRUH Finance Ltd., Symphony Limited, NIRMA Group, Intas Pharmaceuticals Limited and presently he is practicing as a Chartered Accountant.

Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Shailesh Desai and Mr. Jainand Vyas as Independent Directors are being placed before the Members for their approval by way of Special Resolutions.

The Board recommends the Special Resolutions at **Item No. 5 and 6** of this Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives, except Mr. Shailesh Desai and Mr. Jainand Vyas are, in any way, concerned or interested, in the Resolutions set out at **Item No. 5 & 6** of the Notice.

Item No. 7 - Transactions with Related Parties u/s 188 of the Companies Act, 2013

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

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

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

In the light of provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Members of the Audit Committee and the Board of Directors of your Company have approved the proposed transactions along with annual limits that your Company may enter into with the said Related Party (as defined under the Companies Act, 2013) for the Financial Year 2019-2020.

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

| Sr. | Name of Related Party(s) | Relationship | Nature of Transaction | Duration | Amount |
|-----|--------------------------|-------------------------|------------------------------------|---|--------------------------------|
| 1. | Mrs. Monica Kanuga | Non- Executive Director | Rendering of Professional Services | 1 st April, 2019 to 31 st March, 2020 | Rs. 10.00 lacs (not exceeding) |

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

Mrs. Monica Kanuga is a Practicing Company Secretary. She provides professional and advisory services to the Company since over two decades and has also been the Secretarial Auditor under the provisions of the Companies Act, 2013. The Company proposes to continue with her services at such professional fees which do not exceed Rs. 10.00 Lacs per annum.

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

The Board of Directors of your Company has approved this item in the Board Meeting held on 27th April, 2019 and recommends the Resolution as set out in the accompanying Notice for the approval of the Shareholders as Ordinary Resolution.

None of the directors and key managerial personnel of the Company or their relatives, except Mrs. Monica Kanuga is, in any way, concerned or interested, in the resolution set out at **Item No. 7**, as appended above.

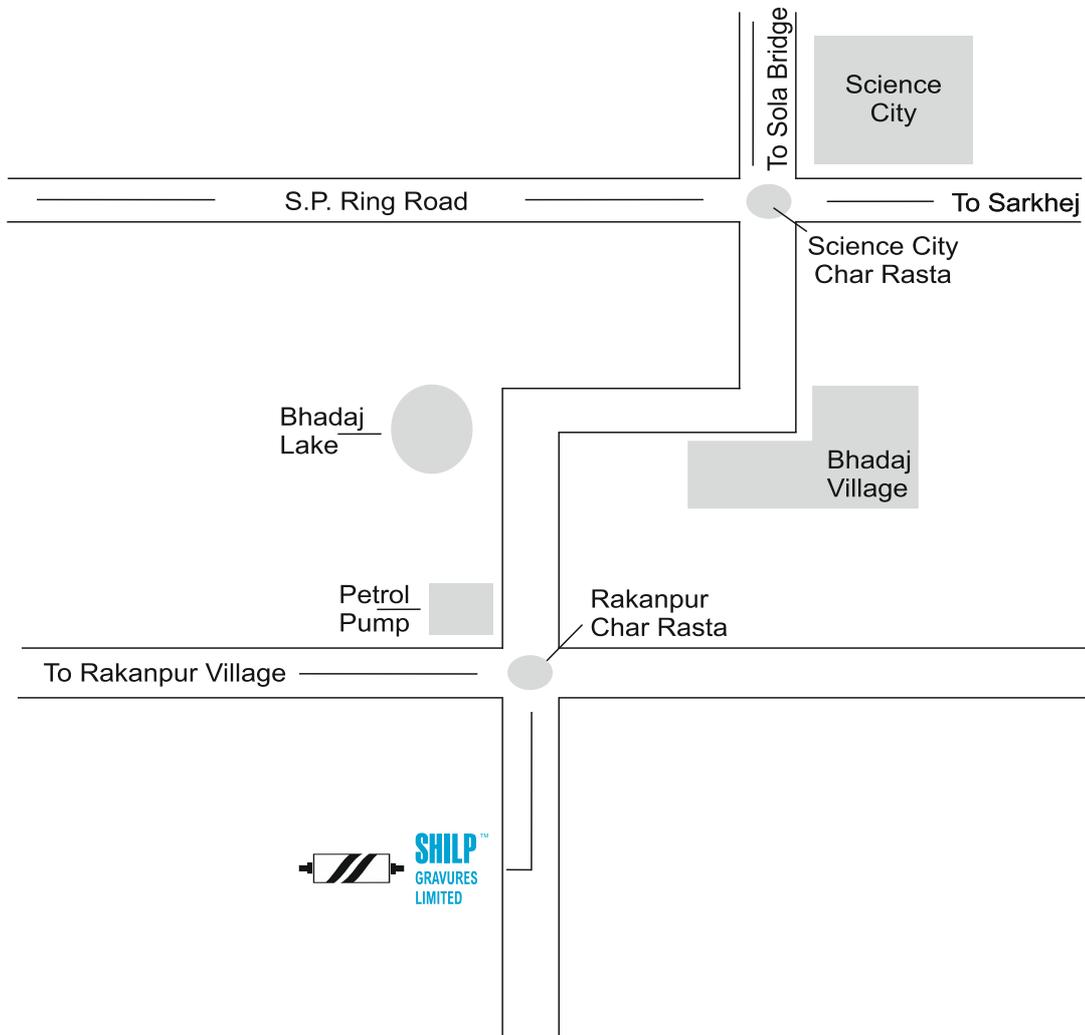
ANNEXURE TO NOTICE

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

| Name | Mr. Nipam Shah (DIN:00093697) Non-Executive Director | Mr. Shailesh Desai (DIN:00169595) Non-Executive Independent Director |
|--|---|---|
| Date of Appointment | 23-09-2015 | 02-12-2003 |
| Date of Birth | 16-09-1961 | 24-12-1953 |
| Educational Qualification | B.Com, Chartered Accountant | B.Com, L.L.B |
| Nationality | Indian | US Citizen |
| Expertise in specific Functional Area | Nipam Shah is an Entrepreneur, Mentor and Advisors to various ventures in the area of Technology. Nipam Shah is also founder of a boutique Investment Banking Firm, NRS Advisors Pvt Ltd. During his advisory career of over 30 years, Mr. Shah has advised large number of corporate transactions across the sectors and territorial jurisdictions involving Strategic Sale, Technology Transfers, M&A, Private Equity, Corporate Restructuring. Mr. Shah has co-founded and mentored technology ventures in the areas of Telecom Operations Support systems, Cyber Security, Data Science and Educational Technologies etc. Mr. Shah also renders his services to not for profit organizations, such as a member of the Board of Directors of Kalupur commercial Co-Op Bank Ltd, Governing Board of Ahmedabad Management Association and Board of Trustees of Health and Care Foundation. | Mr. Shailesh Desai is a leading Tax Consultant practicing in Ahmedabad. Mr. Desai started his independent practice in the year 1983 in the field of Income Tax, Sales Tax, other Allied Laws and now under GST. Since then he has been dealing with Income Tax Matters and Financial Planning with reference to prevailing tax laws. He has occupied various positions at Professional Associations like: member of Managing Committee, Treasurer, Hon. Jt. Secretary, Vice President of Income Tax Bar Association, Ahmedabad and later on became President in the year 2002 and 2003, Hon. Secretary - All Gujarat Federation of Tax Consultants in the year 2001-02, Vice President in the year 2002-2003 and President in the year 2012-13. He was also a Member of the Taxation Committee of Gujarat chamber of Commerce and Industry in the year 2001-02, 2002-03, 2012-13 and 2018-19. |
| Directorships held in other public Companies (Excluding foreign and private Companies) | NIL | NIL |
| Committee Memberships/ Chairmanship in other Public Companies including Shilp | Shilp Gravures Limited: Audit Committee : Member Nomination and Remuneration Committee: Member Corporate Social Responsibility Committee: Member | Shilp Gravures Limited: Audit Committee : Chairman Nomination and Remuneration Committee: Chairman Stakeholder Relationship Committee: Member Corporate Social Responsibility Committee: Member |
| Shareholding in Shilp | NIL | 1500 Equity Shares |
| Details of Board/Committee Meetings attended by the directors during the year | Please refer to Corporate Governance Report | Please refer to Corporate Governance Report |
| Disclosure of relationships between director inter-se Directors inter-se | There are no inter-se relationship between the Board Members | There are no inter-se relationship between the Board Members |

| Name | Mr. Jainand Vyas (DIN: 02656340) Non-Executive Independent Director | Mr. Kirit Patel (DIN:00380319) Non-Executive Independent Director |
|--|---|---|
| Date of Appointment | 08-08-2009 | 04-08-2018 |
| Date of Birth | 13-11-1953 | 10-02-1960 |
| Educational Qualification | B. Com., L.L.B., Fellow Chartered Accountant | B.E. Chemical |
| Nationality | Indian | Indian |
| Expertise in specific Functional Area | Mr. Jainand Vyas is a Chartered Accountant, fellow member of Institute of Chartered Accountants of India, having rich experience of more than 35 years in the field of accounts, finance, audit, taxation etc. He had worked with reputed companies like, GRUH Finance Ltd., Symphony Limited, NIRMA Group, Intas Pharmaceuticals Limited and presently he is practicing as a Chartered Accountant. | Mr. Kirit Patel is Bachelor of Chemical Engineering. He has more than 30 years of rich experience in polymer technology and extensively worked to find better solutions in developing products for Pharmaceutical and Cosmetics, Pvc, Textile industries. Presently, he is Executive Director of Corel Pharma Chem Private Limited. He is also associated with Universal Medicap Limited and C D Commodities Broking Limited as director and also actively associated as Trustee of Kadi Sarva Vishav Vidhyalaya. |
| Directorships held in other public Companies (Excluding foreign and private Companies) | NIL | CD Commodities Broking Limited Universal Medicap Limited |
| Committee Memberships/ Chairmanship in other Public Companies including Shilp | Shilp Gravures Limited: Audit Committee : Member Stakeholder Relationship Committee: Member | Shilp Gravures Limited: Audit Committee : Member Nomination and Remuneration Committee: Member |
| Shareholding in Shilp | 2500 Equity Shares | NIL |
| Details of Board/Committee Meetings attended by the directors during the year | Please refer to Corporate Governance Report | Please refer to Corporate Governance Report |
| Disclosure of relationships between director inter-se Directors inter-se | There are no inter-se relationship between the Board Members | There are no inter-se relationship between the Board Members |

ROUTE MAP TO THE AGM VENUE



BOARD'S REPORT

To
 The Members,
SHILP GRAVURES LIMITED

Your Directors have pleasure in presenting the **26th Annual Report** on the working of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2019.

1. FINANCIAL PERFORMANCE:

(Rs. in Lacs)

| Particulars | For the year ended on 31st March, 2019 | For the year ended on 31st March, 2018 |
|---|--|--|
| Revenue from Operations | 7413.16 | 6904.07 |
| Other Income | 215.90 | 139.89 |
| Total Revenue | 7629.06 | 7043.96 |
| Operating expenses | 5915.48 | 5436.04 |
| Depreciation and Amortisation expenses | 685.68 | 658.57 |
| Finance Cost | 120.41 | 99.06 |
| Total Expenditure | 6721.57 | 6193.67 |
| Profit before Tax | 907.49 | 850.29 |
| Tax Expense | | |
| Current tax | 236.72 | 248.08 |
| Short provision for tax relating to prior years | (23.78) | (1.17) |
| Deferred tax | (76.87) | (99.88) |
| Net Profit for the year | 771.42 | 703.06 |
| Other Comprehensive Income (net of tax) | (13.40) | (3.20) |
| Total Comprehensive Income | 758.02 | 700.06 |
| Opening Balance of Retained Earning | 4003.30 | 3439.27 |
| Amount available for appropriation | 4761.32 | 4139.33 |
| Appropriations: | | |
| Transfer to General Reserves | 25.00 | 25.00 |
| Dividend on Equity Shares | 246.00 | 92.25 |
| Tax on Dividend | 50.56 | 18.78 |
| Balance Carried to Balance Sheet | 4439.76 | 4003.30 |

2. REVIEW OF OPERATIONS:

The revenue from operations for the financial year 2018-19 at Rs. 7413.16 Lacs was higher by 7.37% over last year (Rs. 6904.07 Lacs in financial year 2017-18). Earnings before interest, tax, depreciation and amortisation ("EBITDA") was Rs. 1713.58 Lacs over EBITDA of Rs. 1607.92 Lacs in financial year 2017-18. Your Company has sustained its efforts to maintain profit for the year 2018-19. Profit after tax ("PAT") for the year was Rs. 771.42 Lacs over the PAT of Rs. 703.06 Lacs of financial year 2017-18.

3. DIVIDEND:

Based on the Company's performance for the financial year 2018-19, the Board of Directors ("the Board") are pleased to recommend for approval of the members a final dividend of Rs. 1.50 per share, being 15% (previous year Rs. 1.50 per share) on the face value of Rs. 10/- per share on 6,149,800 Equity Shares of the Company to be appropriated from the profits of the Company for the financial year 2018-19. The final dividend on Equity Shares, if approved by the members would involve a cash outflow of Rs. 111.21 Lacs including dividend tax. The total dividend for financial year 2018-19 aggregates to Rs. 4.00 per Equity Share which includes Interim Dividend Rs. 2.50 per Equity Share paid on 26th November, 2018 on the occasion of 25th year (*Silver Jubilee Year*) of the Company.

4. TRANSFER TO RESERVES:

The Company proposes to transfer Rs. 25.00 Lacs to the General Reserve.

5. PUBLIC DEPOSITS:

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

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in Section 134(3)(m) of the Act read with Rule, 8 of The Companies (Accounts) Rules, 2014 is provided in **Annexure 'A'** to the Board's Report.

8. CORPORATE GOVERNANCE:

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

9. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

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

10. LISTING OF SHARES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 513709. The Company confirms that the annual listing fees to stock exchange for the financial year 2019-20 have been paid.

11. DIRECTORS & KEY MANAGERIAL PERSONNEL:

11.1 Appointment/Reappointment of Directors

Pursuant to the provisions of the Companies Act, 2013 ("Act"), the shareholders in the 21st AGM of your Company held on 03rd September, 2014 appointed Mr. Shailesh Desai and Mr. Jainand Vyas as Independent Non-Executive Directors to hold office for five consecutive years up to 02nd September, 2019. Mr. Shailesh Desai (DIN: 00169595) and Mr. Jainand Vyas (DIN: 02656340) are eligible for re-appointment as Independent Non-Executive Directors for a second term of five consecutive years. Pursuant to the provisions of the Act, and based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through a Special Resolution in the 26th AGM of your Company, the re-appointment of Mr. Shailesh Desai (DIN: 00169595) and Mr. Jainand Vyas (DIN: 02656340) as Independent Non-Executive Directors for second term of five consecutive years from 03rd September, 2019 up to 02nd September, 2024.

In terms of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in its meeting held on 04th August, 2018, subject to approval of the shareholders of the Company, appointed Mr. Kirit Patel as an Additional Director and Independent Non-Executive Director of the Company with effect from 04th August, 2018 for a period of five consecutive years. Mr. Kirit Patel holds office up to the date of the forthcoming Annual General Meeting and is eligible for appointment.

11.2 Director liable to Retire by Rotation

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Nipam Shah (DIN: 00093697) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends the appointment of Mr. Nipam Shah as Director of the Company retiring by rotation.

Details of the proposal for the appointment / re-appointment of Directors under Section 102 of the Companies Act, 2013 are mentioned in the Explanatory Statement of the Notice of the 26th Annual General Meeting ('AGM') of your Company.

11.3 Declaration by Independent Directors

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

11.4 Key Managerial Personnel

The following are the Key Managerial Personnel of the Company in terms of the provisions of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2019:

- Mr Ambar Patel, Managing Director
- Mr. Roshan Shah, Chief Executive Officer
- Mr Amit Agrawal, Chief Financial Officer
- Mr Bharat Patel, Company Secretary

12. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies have been applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2019, and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) that the internal financial controls followed by the Company are adequate and has been operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively.

13. MEETINGS OF THE BOARD:

During the year Five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

14. COMMITTEES OF BOARD:

The Audit Committee comprises of five members. The Chairman of the Committee is an Independent Director. The Committee met four times during the year. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Corporate Governance Report. Details of various committees constituted by the Board of Directors as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

15. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURE:

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

16. WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

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

17. CORPORATE SOCIAL RESPONSIBILITY:

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

In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy which is available on Company's website at <https://www.shilpgravures.com/Investorrelations/policies>. The composition of the Committee, contents of CSR Policy and Report on CSR activities carried out towards supporting projects in eradication of hunger, promoting education, healthcare during the financial year ended 31st March, 2019 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure B**.

18. NOMINATION AND REMUNERATION POLICY:

The Company has in place a policy for remuneration of Directors, Key Managerial Personnel and a well-defined criteria for the selection of candidates for appointment to the said positions which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the executive and non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel. The above policy is available on Company's website at <https://www.shilpgravures.com/Investorrelations/policies>.

19. BOARD EVALUATION:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees, as mandated under the Act and SEBI Listing Regulations. The criteria applied in the evaluation process are explained in the Corporate Governance Report.

20. ANNUAL RETURN:

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9, is annexed herewith as **Annexure C** and available on the Company's Website <https://www.shilpgravures.com>.

21. RELATED PARTY TRANSACTIONS:

The Company has formulated a policy on related party transactions which is available on Company's website at <https://www.shilpgravures.com/Investorrelations/policies>. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for taking the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at an arm's length basis. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the year 2018-19 were in ordinary course of the business and on an arm's length basis. No material related party transactions were entered during the Financial Year by your Company, hence, there is no disclosure to be provided for related party transactions as required under Section 134(3)(h) of the Companies Act, 2013. Members may refer to note no. 39 to the financial statement which sets out related party disclosures pursuant to IND AS-24.

22. INTERNAL FINANCIAL CONTROLS:

The Directors had laid down internal financial controls to be followed by your Company and such policies and procedures adopted by your Company for ensuring the orderly and efficient conduct of its business, including adherence to your Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically. The Statutory Auditors have provided their report on Internal Financial Control which is annexed hereafter.

23. INDIAN ACCOUNTING STANDARDS (IND AS):

The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

24. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING:

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

25. TRANSFER OF EQUITY SHARES UNPAID/UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND:

In line with the statutory requirements, the Company has transferred to the credit of the Investor Education and Protection Fund set up by the Government of India, equity shares in respect of which dividend had remained unpaid/unclaimed for a period of seven consecutive years within the timelines laid down by the MCA. Unpaid/unclaimed dividend for seven years or more has also been transferred to the IEPF pursuant to the requirements under the Act. The details are available on Company's website at <https://www.shilpgravures.com/investorrelations/shareholderinformation>.

26. EQUAL OPPORTUNITY EMPLOYER:

The Company is an equal opportunity provider and continuously strives to build a work culture which promotes the respect and dignity of all employees across the Organization. In order to provide women employees a safe working environment at workplace and also in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated a well-defined policy on prevention, prohibition and redressal of complaints relating to sexual harassment of women at the workplace. No complaints pertaining to sexual harassment of women employees from any of the Company's locations were received during the year ended March 31, 2019.

27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

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

No material changes or commitments have occurred between the end of the financial year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

29. AUDITORS:

29.1 Statutory Auditors:

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 25th Annual General Meeting approved the appointment of M/s. Shah & Shah Associates, Chartered Accountants (Firm Registration No-113742W), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company.

Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from 7th May, 2018. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting. The Report given by M/s. Shah & Shah Associates, Chartered Accountants on the financial statement of the Company for the year 2019 is part of the Annual Report.

There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year 2019, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

29.2 Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed Mrs. Monica Kanuga, Practicing Company Secretary (CP No. 3868) as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2019. The Secretarial Auditors Report issued by Mrs. Monica Kanuga, Practicing Company Secretary in Form MR-3 is annexed to this Board's Report (**Annexure – E**). The Secretarial Auditors Report does not contain any qualifications, reservation or adverse remarks.

29.3 Internal Auditors:

The Board of Directors appointed M/s. KJP & Associates LLP, Chartered Accountants, as Internal Auditors of the Company for the F. Y. 2018-19.

30. INSURANCE:

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

31. ACKNOWLEDGMENTS:

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

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

On the behalf of The Board of Directors

Ambar Patel
(Managing Director)
(DIN: 00050042)

Shailesh Desai
(Director)
(DIN: 00169595)

Place: Rakanpur
Date: 27th April, 2019

Annexure - A

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year ended 31st March, 2019:

(A) Conservation of Energy

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

| A. Replacement of Conventional 40 Watts Lighting Fixtures By LED Fixtures in following Areas and the saving observed was as follows: | | |
|--|--|--|
| i. | New Engraving Area 36W 50 Nos. Tube Lamp Replaced by (35WX24) LED 2x2 Fixtures | |
| | Total Saving / Day | 960 Watts / Day |
| | Total saving for 300 Days | 960 x 300 = 6912 Kwh Units, per Year 6912 * 7.5 = Rs.51840 /-Per Year |
| ii. | Laser Area (36X2)4 Nos. Fixtures Replaced by 35W LED , 2x2 Fixture (4 Nos.) | |
| | Total Saving / Day | 148 Watts / Hour, 3.55 Kwh / Day |
| | Total saving for 300 Days | 3.55 x 300 = 1065 Kwh Units, Per Year 1065 x 7.5 = Rs. 7987 Per Year |
| iii. | Fabrication Shop Areas 36 W Conventional fixtures replaced by 20W LED fixture Total 20 Nos. | |
| | Total Saving / Day | 320 Watts / Day, i.e. 5.12 Kwh / Day |
| | Total saving for 300 Days | 1536Kwh Units *Rs. 7.5 Rs. 11520 Yearly |

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

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

(iv) Total energy consumption during the year:-

| Particulars Period | Current Year | | | Previous Year | | |
|---------------------------------------|--------------------------|-------------|---------------------|--------------------------|-------------|--------------|
| | April 2018 to March 2019 | | | April 2017 to March 2018 | | |
| | Units (KWH) | Amt. in Rs. | Rs. Per Unit | Units (KWH) | Amt. in Rs. | Rs. Per Unit |
| (a) Electricity | | | | | | |
| Purchased | 56,71,985 | 4,15,14,970 | 7.32 | 50,30,290 | 3,71,17,767 | 7.38 |
| Own Generation (Wind Turbine Gen.) | 35,04,858 | 2,38,55,653 | 6.80 | 31,96,503 | 2,22,12,976 | 6.94 |
| (b) DG Sets Units Gen. | 47,760 | 17,41,148 | 2.00 Units/Ltrs. | 56,840 | 15,18,646 | 2.35 |

*Note: F.Y.2018-19 - 47,760 Units Generated at the Cost of Rs.17,41,148 (23,800 Ltrs Diesel Consumed) While F.Y.2017-18- 56,840 Units Generated at the Cost of Rs. 15,18,646 (24,200 Ltrs Diesel Consumed)

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

(B) Technology Absorption

(i) The efforts made towards technology absorption: None

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

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

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars regarding Foreign Exchange Earnings and Outgo appear in Note 43 & 44 in the Notes to Financial Statements.

On the behalf of The Board of Directors

Ambar Patel
(Managing Director)
(DIN: 00050042)

Shailesh Desai
(Director)
(DIN: 00169595)

Place: Rakanpur
Date: 27th April, 2019

Annexure – B

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018 - 2019

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

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

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

During the year, the Company has contributed to various organisations like Dardi Nu Rahat Fund, Fateh Kelvani Trust, India Renal Foundation, Ambaben Maganbhai Patel Public Charitable Trust and many more for the purpose of carrying out our CSR activities.

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

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

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

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

2. The Composition of CSR Committee:

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

3. Average Net Profit of the Company for last three Financial Years: Rs. 889.14/- Lacs

4. Prescribed CSR Expenditure (2% of the amount mentioned in 3 above): Rs. 17.78/- Lacs

5. Details of CSR spent during the Financial Year:

- (a) Total amount spent for the Financial Year: Rs. 18.00/- Lacs
- (b) Amount Unspent, if any: Nil
- (c) Manner in which the amount spent during the Financial Year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|---|--|--|---|--|---|---|
| Sr. No. | CSR Project or activity identified | Sector in which the project is covered | Projects or Programs (1) Local area or other (2) Specify the state and district where the projects or programs were undertaken | Amount outlay (budget) project or programs wise (Rs. in Lacs) | Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads (Rs. in Lacs) | Cumulative expenditure up to the reporting period (Rs. in Lacs) | Amount spent: Direct or through implementing agency |
| 1. | Dardionu Rahat Fund | Healthcare | Ahmedabad, Gujarat | 3.00 | 3.00 | 3.00 | Through Implementing Agency |
| 2. | Fateh Kelvani Trust | Education | Ahmedabad, Gujarat | 1.00 | 1.00 | 1.00 | |
| 3. | India Renal Foundation | Healthcare | Ahmedabad, Gujarat | 1.00 | 1.00 | 1.00 | |
| 4. | Ambaben Maganbhai Patel Public Charitable Trust | Charitable trust | Ahmedabad, Gujarat | 1.00 | 1.00 | 1.00 | |
| 5. | Gujarat Chamber of Commerce and Industry | Charitable trust | Ahmedabad, Gujarat | 2.00 | 2.00 | 2.00 | |
| 6. | Vishva Umiya Foundation | Charitable trust | Ahmedabad, Gujarat | 10.00 | 10.00 | 10.00 | |

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

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

Sd/-
Mr. Ambar Patel
Managing Director
(DIN: 00050042)

Sd/-
Mr. Nipam Shah
Chairman – CSR Committee & Director
(DIN: 00093697)

Place: Rakanpur
Date: 27th April, 2019

ANNEXURE – C

Form MGT – 9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

| Sr. No. | Name and description of main products/ services | NIC Code of the Product / Service | % of total turnover of the Company |
|---------|---|-----------------------------------|------------------------------------|
| 1 | Engraved Copper Rollers | 18122 | 94.24% |
| 2 | Printing Plates | 18122 | 5.76% |
| | Total | | 100.00% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category wise Shareholding

| Category of Shareholders | No. of Shares held at the Beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter and Promoter Group | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| i) Individual/ HUF | 1951635 | - | 1951635 | 31.73 | 1967666 | - | 1967666 | 32.00 | 0.27 |
| ii) Central Govt. | - | - | - | - | - | - | - | - | - |
| iii) State Govt. (s) | - | - | - | - | - | - | - | - | - |
| iv) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| v) Banks / FI(s) | - | - | - | - | - | - | - | - | - |
| vi) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(1) | 1951635 | - | 1951635 | 31.73 | 1967666 | - | 1967666 | 32.00 | 0.27 |
| (2) Foreign | | | | | | | | | |
| i) NRIs –Individuals | 1770440 | - | 1770440 | 28.79 | 1770440 | - | 1770440 | 28.79 | - |
| ii) Other –Individuals | - | - | - | - | - | - | - | - | - |
| iii) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| iv) Banks/ FI(s) | - | - | - | - | - | - | - | - | - |
| v) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(2) | 1770440 | - | 1770440 | 28.79 | 1770440 | - | 1770440 | 28.79 | - |
| TOTAL Shareholding of Promoter (A) = (A)(1) + (A)(2) | 3722075 | - | 3722075 | 60.52 | 3738106 | - | 3738106 | 60.78 | 0.27 |

| Category of Shareholders | No. of Shares held at the Beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--|---|---------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B . Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| i) Mutual Funds | - | - | - | - | - | - | - | - | - |
| ii) Banks / FI(s) | - | - | - | - | - | - | - | - | - |
| iii) Central Govt. | - | - | - | - | - | - | - | - | - |
| iv) State Govt. (s) | - | - | - | - | - | - | - | - | - |
| v) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| vi) Insurance Companies | - | - | - | - | - | - | - | - | - |
| vii) FIIs | - | - | - | - | - | - | - | - | - |
| viii) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| ix) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(1) | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| i) Bodies Corporate | | | | | | | | | |
| a) Indian | 161989 | - | 161989 | 2.63 | 103010 | - | 103010 | 1.67 | (0.96) |
| b) Overseas | - | - | - | - | - | - | - | - | - |
| ii) Individuals | | | | | | | | | |
| a) Individual shareholders holding nominal share capital upto Rs. 2 Lacs | 1287095 | 229500 | 1516595 | 24.66 | 1553147 | 198300 | 1751447 | 28.48 | 3.82 |
| b) Individual shareholders holding nominal share capital in excess of Rs. 2 Lacs | 253356 | - | 253356 | 4.12 | 88798 | 61700 | 150498 | 2.45 | (1.67) |
| c) Others (specify) | | | | | | | | | |
| NRI (Repatriation) | 56519 | 222400 | 278919 | 4.53 | 108965 | 99200 | 208165 | 3.38 | (1.14) |
| NRI (Non- Repatriation) | 10262 | - | 10262 | 0.16 | 12736 | - | 12736 | 0.21 | 0.5 |
| Directors & their Relatives & Friends | 46953 | - | 46953 | 0.76 | 48753 | - | 48753 | 0.79 | 0.3 |
| Undaclaimed Suspense Account.IEPF | 51887 | - | 51887 | 0.84 | 57788 | - | 57788 | 0.94 | 0.10 |
| Others (HUF, Trust, clearing members) | 107764 | - | 107764 | 1.75 | 79297 | - | 79297 | 1.29 | (0.46) |
| Sub - Total (B)(2) | 1923938 | 451900 | 2427725 | 39.48 | 2052494 | 359200 | 2411694 | 39.21 | - |
| TOTAL Shareholding of Public (B) = (B)(1) + (B)(2) | 1975825 | 451900 | 2427725 | 39.48 | 2052494 | 359200 | 2411694 | 39.21 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| GRAND TOTAL(A + B + C) | 5697900 | 451900 | 6149800 | 100.00 | 5790600 | 359200 | 6149800 | 100.00 | - |

ii) Shareholding of Promoters
Details of shareholding of Promoters and Promoter's group

| Sr. No. | Category of Shareholders | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change during the year |
|---------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--------------------------|
| | | No. of Shares | % of Total Shares of the Company | % of Total Shares pledged/encumbered to total shares | No. of Shares | % of Total Shares of the Company | % of Total Shares pledged/encumbered to total shares | |
| 1. | Patel Vithaldas Hemdas | 765756 | 12.45 | 0.00 | 765756 | 12.45 | 0.00 | 0.00 |
| 2. | Hiraben Vithaldas Patel | 584314 | 9.50 | 0.00 | 0 | 0 | 0.00 | (9.50) |
| 3. | Hiraben Vithaldas Patel / Vithaldas Hemdas Patel | 396224 | 6.44 | 0.00 | 0 | 0 | 0.00 | (6.44) |
| 4. | Dashrath Vithaldas Patel | 0 | 0 | 0.00 | 333228 | 5.42 | 0.00 | 5.42 |
| 5. | Suman Vithaldas Patel | 0 | 0 | 0.00 | 333228 | 5.42 | 0.00 | 5.42 |
| 6. | Vishnu Vithaldas Patel | 0 | 0 | 0.00 | 333228 | 5.42 | 0.00 | 5.42 |
| 7. | Baldev Vithaldas Patel | 0 | 0 | 0.00 | 5000 | 0.08 | 0.00 | 0.08 |
| 8. | Patel Vithaldas Hemdas/ Hiraben Vithaldas Patel | 24146 | 0.39 | 0.00 | 0 | 0 | 0.00 | (0.39) |
| 9. | Roshan Harshvadan Shah / Aarti Roshan Shah | 313404 | 5.10 | 0.00 | 313404 | 5.10 | 0.00 | 0.00 |
| 10. | Atul Manilal Vinchhi / Renuka A. Vinchhi | 289364 | 4.70 | 0.00 | 292645 | 4.76 | 0.00 | 0.06 |
| 11. | Ambar Jayantilal Patel / Amita A. Patel | 243910 | 3.97 | 0.00 | 243910 | 3.97 | 0.00 | 0.00 |
| 12. | Narendra Ramkrishna Patil / Chhaya N. Patil | 182500 | 2.97 | 0.00 | 182500 | 2.97 | 0.00 | 0.00 |
| 13. | Gajanan Vamanrao Bhavsar / Sangita G. Bhavsar | 180700 | 2.94 | 0.00 | 180700 | 2.94 | 0.00 | 0.00 |
| 14. | Gajanan Vamanrao Bhavsar | 128710 | 2.09 | 0.00 | 128710 | 2.09 | 0.00 | 0.00 |
| 15. | Amita Ambarbhai Patel / Ambar J. Patel | 84490 | 1.37 | 0.00 | 84490 | 1.37 | 0.00 | 0.00 |
| 16. | Chhaya Narendra Patil / Narendra R. Patil | 75000 | 1.22 | 0.00 | 75000 | 1.22 | 0.00 | 0.00 |
| 17. | Renuka Atul Vinchhi / Atul M. Vinchhi | 73182 | 1.19 | 0.00 | 75632 | 1.23 | 0.00 | 0.04 |
| 18. | Siddharth Narendra Patil | 54200 | 0.88 | 0.00 | 54200 | 0.88 | 0.00 | 0.00 |
| 19. | Deval Ambarbhai Patel / Amita Ambar Patel | 53981 | 0.88 | 0.00 | 64281 | 1.04 | 0.00 | 0.16 |
| 20. | Siddharth Narendra Patil | 51500 | 0.84 | 0.00 | 51500 | 0.84 | 0.00 | 0.00 |
| 21. | Narendra R. Patil (HUF) | 46300 | 0.75 | 0.00 | 46300 | 0.75 | 0.00 | 0.00 |
| 22. | Priyank Gajanan Bhavsar | 36455 | 0.59 | 0.00 | 36455 | 0.59 | 0.00 | 0.00 |
| 23. | Rachit Gajanan Bhavsar / Gajanan V. Bhavsar | 26502 | 0.43 | 0.00 | 26502 | 0.43 | 0.00 | 0.00 |
| 24. | Neil Roshan Shah / Roshan Harshvadan Shah | 22981 | 0.37 | 0.00 | 22981 | 0.37 | 0.00 | 0.00 |
| 25. | Sangita Gajanan Bhavsar / Gajanan V. Bhavsar | 21671 | 0.35 | 0.00 | 21671 | 0.35 | 0.00 | 0.00 |
| 26. | Sangita Gajanan Bhavsar / Gajanan V. Bhavsar | 16900 | 0.27 | 0.00 | 16900 | 0.27 | 0.00 | 0.00 |
| 27. | Sundeep Harshvadan Shah / Shefali Sundeep Shah | 13400 | 0.22 | 0.00 | 13400 | 0.22 | 0.00 | 0.00 |
| 28. | Aarti Roshan Shah | 11155 | 0.18 | 0.00 | 11155 | 0.18 | 0.00 | 0.00 |
| 29. | Kumudben H. Shah / Sundeep H. Shah | 7000 | 0.11 | 0.00 | 7000 | 0.11 | 0.00 | 0.00 |
| 30. | Satish V. Patil | 6200 | 0.10 | 0.00 | 6200 | 0.10 | 0.00 | 0.00 |
| 31. | Hemal Ambar Patel / Ambar Jayantilal Patel | 2501 | 0.04 | 0.00 | 2501 | 0.04 | 0.00 | 0.00 |
| 32. | Bhanumatiben Jayantilal Patel / Ambar J. Patel | 2309 | 0.04 | 0.00 | 2309 | 0.04 | 0.00 | 0.00 |
| 33. | Ravindra Ramkrishna Patil / Sunanda R. Patil | 1500 | 0.02 | 0.00 | 1500 | 0.02 | 0.00 | 0.00 |
| 34. | Sumit Patil | 1000 | 0.02 | 0.00 | 1000 | 0.02 | 0.00 | 0.00 |
| 35. | Amisha Jayprakash Patel / Jayprakash Patel | 925 | 0.02 | 0.00 | 0 | 0 | 0.00 | (0.02) |
| 36. | Ambar Jayantilal Patel (HUF) | 901 | 0.01 | 0.00 | 901 | 0.01 | 0.00 | 0.00 |
| 37. | Sangita Gajanan Bhavsar | 870 | 0.01 | 0.00 | 870 | 0.01 | 0.00 | 0.00 |
| 38. | Jayprakash Gordhandas Patel / Ulca Jayprakash Patel | 675 | 0.01 | 0.00 | 974 | 0.01 | 0.00 | 0.00 |
| 39. | Patel Anal Nandan | 0 | 0 | 0.00 | 650 | 0.01 | 0.00 | 0.01 |
| 40. | Ulca Jayprakash Patel | 500 | 0.01 | 0.00 | 1425 | 0.02 | 0.00 | 0.01 |
| 41. | Aditya Jayprakash Patel / Jayprakash Patel | 299 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |

iii) Change in Promoters' Shareholding

| Sr. No. | Name of the Shareholder | Shareholding at the Beginning of the year | | Cumulative Shareholding during the year | |
|----------------------------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| No change during the year | | | | | |
| 1. | At the beginning of the year | 3722075 | 60.52 | 3722075 | 60.52 |
| | Purchase during the year | - | - | 16031 | 0.26 |
| | At the end of the year | - | - | 3738106 | 60.78 |

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

| Sr. No. | For each of the Top 10 Shareholders | Shareholding at the Beginning of the year | | Change in Shareholding (No of Shares) | | Shareholding at the end of the year | |
|---------|---|---|--|---------------------------------------|----------|-------------------------------------|--|
| | | No. of Shares | % of total shares Capital of the Company | Decrease | Increase | No. of Shares | % of total shares Capital of the Company |
| 1 | Saraswatiben Dahyabhai Patel | 86298 | 1.40 | - | - | 86298 | 1.40 |
| 2 | Anil Kumar Goel | 60000 | 0.97 | - | - | 60000 | 0.97 |
| 3 | IEPF - Ministry Of Corporate Affairs | 51887 | 0.84 | - | 6001 | 57788 | 0.93 |
| 4 | Pravin Kantilal Shah | 46700 | 0.46 | - | 15000 | 61700 | 0.75 |
| 5 | Naresh Umedlal Shah | 44113 | 0.71 | - | - | 44113 | 0.71 |
| 6 | Seema Goel | 38445 | 0.62 | - | - | 38445 | 0.62 |
| 7 | Sunil M. Porecha | 31200 | 0.51 | - | 10000 | 41200 | 0.50 |
| 8 | Babubhai Ishwarlal Patel | 31100 | 0.51 | - | 10000 | 41100 | 0.50 |
| 9 | Mili Consultants & Investment Pvt. Ltd. | 24498 | 0.39 | - | - | 24498 | 0.39 |
| 10 | Vishnubhai Baldevdas Patel | 21000 | 0.34 | - | - | 21000 | 0.34 |

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the shares to Investor Education and Protection fund Authority (IEPF) those shareholders who have not claimed the dividends for a continuous period of 7 years.

v) Shareholding of Directors and Key Managerial Personnel

| Sr. No. | For each of the Directors and KMP | Shareholding at the Beginning of the year | | Cumulative Shareholding during the year | |
|-----------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | Mr. Ambar Patel - Managing Director | | | | |
| | At the beginning of the year | 243910 | 3.97 | 243910 | 3.97 |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | 243910 | 3.97 |
| 2. | Mr. Shailesh Desai - Director | | | | |
| | At the beginning of the year | 1500 | 0.01 | 1500 | 0.01 |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | 1500 | 0.01 |
| 3. | Mr. Nipam Shah - Director | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 4. | Mr. Jainand Vyas - Director | | | | |
| | At the beginning of the year | 2200 | 0.03 | 2200 | 0.03 |
| | Change during the year (acquired) | - | - | 300 | 0.00 |
| | At the end of the year | - | - | 2500 | 0.04 |
| 5. | Mr. Kirit Patel - Director | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 6. | Mrs. Monica Kanuga - Director | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| | Key Managerial Personnel | | | | |
| 1. | Mr. Roshan Harshvadan Shah - Chief Executive Officer | | | | |
| | At the beginning of the year | 313404 | 5.10 | 313404 | 5.10 |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | 313404 | 5.10 |
| 2. | Mr. Amit Agrawal - Chief Financial Officer | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 3. | Mr. Bharat Patel - Company Secretary | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year (acquired) | - | - | - | - |
| | At the end of the year | - | - | - | - |

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

| | Secured Loans excluding deposits | | Unsecured Loans | | Deposits | Total Indebtedness |
|--|----------------------------------|---------------|-----------------|-------------|-------------|--------------------|
| | Long Term | Short Term | Long Term | Short Term | | |
| Indebtedness at the beginning of the financial year | | | | | | |
| i) Principal Amount | 654.84 | 404.95 | 0.00 | 0.00 | 0.00 | 1059.79 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL (i + ii + iii) | 654.84 | 404.95 | 0.00 | 0.00 | 0.00 | 1059.79 |
| Change in Indebtedness during the financial year | | | | | | |
| Addition | 334.39 | 22.91 | - | - | - | 357.30 |
| Reduction | 116.40 | - | - | - | - | 116.40 |
| Net Change | 217.99 | 22.91 | | | | 240.90 |
| Indebtedness at the end of the financial year | | | | | | |
| i) Principal Amount | 872.83 | 427.86 | | | | 1300.69 |
| ii) Interest due but not paid | - | | - | - | - | - |
| iii) Interest accrued but not due | - | | | | | |
| TOTAL (i + ii + iii) | 872.83 | 427.86 | - | - | - | 1300.69 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director/ Whole – Time Directors and / or Manager (Rs. in Lacs)

| Sr. No. | Particulars of Remuneration | Name of MD / WTD/ Manager | Total Amount |
|---------|--|--------------------------------------|---------------|
| | | Mr. Ambar Patel (Managing Director) | |
| 1 | Gross Salary | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 154.68 | 154.68 |
| | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 0.63 | 0.63 |
| | c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961 | - | - |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission | - | - |
| | - As % of profit | - | - |
| | - Others, specify | - | - |
| 5. | Others, please specify | - | - |
| | TOTAL (A) | 155.31 | 155.31 |
| | Ceiling as per Act * | | |

- The remuneration paid to the Managing Director for the year 2018-19 is under the ceiling as approved by the shareholders at the 25th Annual General Meeting of Company held on 14th July, 2018.
- The above stated figures for remuneration are extracted from Form 16 of the individual Managerial Personnel and Key Managerial Personnel for the F.Y. 2018-19. Whereas the figures for the managerial remuneration in Corporate Governance Report are prepared on the basis of accrual accounting principle and hence are not comparable.
- Total remuneration of Mr. Ambar Patel Managing Director includes the Silver Jubilee Bonus of Rs.78.00 lakhs paid during the year 2018-19.

B. Remuneration to other Directors

(Rs. in Lacs)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---------|--|-------------------|----------------|--------------|-------------|-----------------------------|---------------|
| | | Chinubha i Shah* | Shailesh Desai | Jainand Vyas | Kirit Patel | | |
| 1 | Independent Directors | | | | | | |
| | - Fees for attending Board and Committee Meetings | - | 1.75 | 0.95 | 0.85 | | 3.55 |
| | - Commission | - | - | - | - | | |
| | - Others, please Specify | - | - | - | - | | |
| | TOTAL (1) | - | 1.75 | 0.95 | 0.85 | | 3.55 |
| 2. | Other Non – Executive Directors** | | | | | Nipam Shah Monica Kanuga | |
| | - Fees for attending Board and Committee Meetings | | - | - | - | 1.55 0.95 | 2.50 |
| | - Commission | | - | - | - | - | |
| | - Others, please Specify (<i>Consultancy fees</i>) | | - | - | - | 8.04 3.075 | 11.115 |
| | TOTAL (2) | | - | - | - | 9.59 4.025 | 17.165 |
| | TOTAL B = (1) + (2) | | 1.75 | 0.95 | 0.85 | 9.59 4.025 | 17.165 |
| | TOTAL Managerial Remuneration | | | | | | |
| | Overall ceiling as per the Act | | - | - | - | - | - |

*ceased as Member of the Board due to resignation from the directorship of the Company w.e.f. 14th May, 2018

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

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

(Rs. in Lacs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|-------------------------|-------------------------|---------------|
| | | Company Secretary | Chief Executive Officer | Chief Financial Officer | TOTAL |
| 1 | Gross Salary | Mr. Bharat Patel | Mr. Roshan Shah | Mr. Amit Agrawal | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 6.64 | 135.88 | 11.65 | 154.17 |
| | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | 0.63 | | 0.63 |
| | c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961 | - | 78.43 | | 78.43 |
| 2. | Stock Option | - | | | - |
| 3. | Sweat Equity | - | | | - |
| 4. | Commission | | | | |
| | - As % of profit | - | | | - |
| | - Others, specify | - | | | - |
| 5. | Others | - | - | - | - |
| | TOTAL | 6.64 | 214.94 | 11.65 | 233.23 |

Total remuneration of Mr. Roshan Shah Chief Executive officer includes gratuity and superannuation of Rs. 137.51 lakhs paid during the year 2018-19.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

ANNEXURE – D

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

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

| Name of Director | | Ratio to employees |
|------------------|---|--------------------|
| Mr. Ambar Patel | : | 1 : 0399 |

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

| Name of the KMP | : | % increase |
|---|---|---|
| Mr. Ambar Patel – Managing Director | : | 12.60% |
| Mr. Roshan Shah – Chief Executive Officer | : | 12.60% |
| Mr. Amit Agrawal – Chief Financial Officer | : | 14.84% |
| Mr. Bharat Patel – Company Secretary | : | 11.73% |
| Percentage increase in the median remuneration of the employees in the financial year | : | 8.22% |
| No. of permanent employees on the rolls of the Company | : | 249 employees |
| Average percentile increase already made in the salaries of the employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof | : | 8.80% (Non-Managerial Personnel) 12.36% (Managerial Personnel) |

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

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

| Sr. No. | Name of the Employee | : | Remuneration drawn (Rs. in Lacs) |
|---------|---|---|----------------------------------|
| 1. | Mr. Ambar Patel | : | 161.35 |
| 2. | Mr. Roshan Shah | : | 143.12 |
| 3. | Mr. Gajanan Bhavsar | : | 138.25 |
| 4. | Mr. Narendra Patil | : | 82.37 |
| 5. | Mr. Atul Vinchhi | : | 82.32 |
| 6. | Mrs. Garima Pandey | : | 18.60 |
| 7. | Mr. Tarun Patel | : | 18.10 |
| 8. | Mr. Hasit Shah | : | 17.00 |
| 9. | Mr. Kamleshmani Tripathi / Mr. Amit Agrawal | : | 14.00 |
| 10. | Mr. Sumit Patil | : | 13.15 |

*The remuneration of Mr. Ambar Patel Managing Director includes the Silver Jubilee Bonus of Rs.78.00 lakhs paid during the year 2018-19.

*The remuneration of Mr. Roshan Shah Chief Executive Officer includes Gratuity of Rs. 59.08 lakhs paid during the year 2018-19.

*The remuneration of Mr. Gajanan Bhavsar Chief Marketing Officer includes the Gratuity of Rs. 55.87 lakhs paid during the year 2018-19.

On the behalf of The Board of Directors

Ambar Patel
(Managing Director)
(DIN: 00050042)

Shailesh Desai
(Director)
(DIN: 00169595)

Place: Rakanpur
Date: 27th April, 2019

ANNEXURE – E

FORM No. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
Shilp Gravures Limited
778/6, Pramukh Industrial Estate,
Sola-Santej Road,
Village: Rakanpur, Taluka : Kalol,
District : Gandhinagar - 382722

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has generally, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) No specific laws are applicable to the industry in which the Company operates. The same has also been confirmed by the Management.

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

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

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

- (i) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

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

I further report that:

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

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

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

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

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

Place : Ahmedabad
Date : 27th April, 2019

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

To,
The Members,
Shilp Gravures Limited
778/6, Pramukh Industrial Estate,
Sola-Santej Road,
Village: Rakanpur, Taluka : Kalol,
District : Gandhinagar - 382722

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

1. Management's Responsibility

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

2. Secretarial Auditor's Responsibility

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

3. Conduct of Company's Affairs

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

Place : Ahmedabad
Date : 27th April, 2019

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company emphasizes on the need for complete transparency and accountability in all its dealings, in order to protect the interests of all its stakeholders. The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner.

The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. The Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

2. BOARD OF DIRECTORS:

2.1 Composition of Board of Directors:

As at 31st March, 2019, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company's Board of Directors comprised of six directors, out of which one is executive director, three directors are Independent Non-Executive Directors and two non-executive directors including one women director. None of directors holds directorship in more than eight listed entities. None of the Independent Directors of the Company serves as Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.

2.2. Category of Directors, attendance of each Director at the Board Meetings and the last Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson:

| Director | Category of Director | No. of Board Meetings held and attended during the financial year 2018-19 | Attendance at the Last AGM on 14th July, 2018 | ***No of Outside Directorship held | ****No of Membership/ Chairmanship in Board Committee |
|---------------------|------------------------------------|---|---|------------------------------------|---|
| Mr. Ambar Patel | Managing Director | 5 out of 5 | Yes | 2 | 2 |
| Mr. Chinubhai Shah* | Independent Non-Executive Director | 0 out of 5 | No | 9 | 8 |
| Mr. Shailesh Desai | Independent Non-Executive Director | 5 out of 5 | Yes | NIL | 2 |
| Mr. Jainand Vyas | Independent Non-Executive Director | 3 out of 5 | Yes | NIL | 2 |
| Mr. Nipam R. Shah | Non-Executive Director | 5 out of 5 | Yes | NIL | 1 |
| Mr. Kirit Patel** | Independent Non-Executive Director | 3 out of 3 | No | 2 | 1 |
| Mrs. Monica Kanuga | Non-Executive Director | 5 out of 5 | Yes | 1 | 1 |

*ceased as Member of the Board due to resignation from the directorship of the Company w.e.f. 14th May, 2018

** Appointed as Additional Director and Independent Director w.e.f. 04th August, 2018

*** Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies

****Committees considered are Audit Committee & Stakeholders' Relationship Committee.

2.3. Number of Board Meetings held and the dates of the Board Meetings

During the year, the Board met five times on 28th April, 2018, 4th August, 2018, 29th October, 2018, 12th November, 2018 and 2nd February, 2019. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of sub regulation 7 of Regulation 17 of the Listing Regulations.

2.4. During the year, a separate meeting of the Independent Directors was held on 25th March, 2019, without the attendance of non-independent directors and members of the management, *inter alia*, to:

- Review of the performance of Non Independent Directors and the Board of Directors as a whole;
- Review of the performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors;
- Assessment of the quality, content and timelines for the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties;

All Independent Directors attended the said meeting.

2.5. Disclosure of relationships between Directors inter-se - None of the Directors are related to each other.

2.6. The Company has familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of familiarisation programme are available on the website of the Company <https://www.shilpgravures.com/investorsrelations/policies>.

2.7. No of shares held and convertible instruments of the Company during the financial year ended March 31, 2019 held by and Non-Executive Directors.

| Directors | No of Shares held |
|--------------------|-------------------|
| Mr. Shailesh Desai | 1500 |
| Mr. Nipam Shah | NIL |
| Mr. Jainand Vyas | 2500 |
| Mr. Kirit Patel | NIL |
| Mrs. Monica Kanuga | NIL |

2.8 Chart setting out the skills/expertise/competence of the Board of Directors:

| Director | Category | Specialisation |
|--------------------|------------------------------------|---|
| Mr. Ambar Patel | Managing Director | Mr. Ambar Patel has over 35 years of experience in Printing and Gravure Industry. He ventures into the manufacturing business of electronically engraved cylinder under the name and style of "SHILP GRAVURES LIMITED" as a Managing Director of the Company since 1994 and since then he is overall incharge of the Company and responsible for Sales, Marketing and Administration of the Organisation. He is also active member of various organizations such as 'Gujarat Chamber of Commerce and Industry' and 'Ahmedabad Management Association' Mr. Ambar Patel has been promoter director providing services at the helm of the operations since inception. |
| Mr. Shailesh Desai | Independent Non-Executive Director | Mr. Shailesh Desai is a leading Tax Consultant practicing in Ahmedabad. Mr. Desai started his independent practice in the year 1983 in the field of Income Tax, Sales Tax, other Allied Laws and now under GST. Since then he has been dealing with Income Tax Matters and Financial Planning with reference to prevailing tax laws. He has occupied various positions at Professional Associations like: Member of Managing Committee, Treasurer, Hon. Jt. Secretary, Vice President of Income Tax Bar Association, Ahmedabad and later on became President in the year 2002 and 2003, Hon. Secretary - All Gujarat Federation of Tax Consultants in the year 2001-02, Vice President in the year 2002-2003 and President in the year 2012-13. He was also a Member of the Taxation Committee of Gujarat Chamber of Commerce and Industry in the year 2001-02, 2002-03, 2012-13 and 2018-19. |
| Mr. Nipam Shah | Non-Executive Director | Nipam Shah is an Entrepreneur, Mentor and Advisors to various ventures in the area of Technology. Nipam Shah is also founder of a boutique Investment Banking Firm, NRS Advisors Pvt Ltd. During his advisory career of over 30 years, Mr. Shah has advised large number of corporate transactions across the sectors and territorial jurisdictions involving Strategic Sale, Technology Transfers, M&A, Private Equity, Corporate Restructuring. Mr. Shah has co-founded and mentored technology ventures in the areas of Telecom Operations Support systems, Cyber Security, Data Science and Educational Technologies etc. Mr. Shah also renders his services to not for profit organizations, such as a member of the Board of Directors of Kalupur commercial Co-Op Bank Ltd, Governing Board of Ahmedabad Management Association and Board of Trustees of Health and Care Foundation. |
| Mr. Jainand Vyas | Independent Non-Executive Director | Mr. Jainand Vyas is a Chartered Accountant, fellow member of Institute of Chartered Accountants of India, having rich experience of more than 35 years in the field of accounts, finance, audit, taxation etc. He had worked with reputed companies like, GRUH Finance Ltd., Symphony Limited, NIRMA Group, Intas Pharmaceuticals Limited and presently he is practicing as a Chartered Accountant. |
| Mr. Kirit Patel | Independent Non-Executive Director | Mr. Kirit Patel is Bachelor of Chemical Engineering. He has more than 30 years of rich experience in polymer technology and extensively worked to find better solutions in developing products for Pharmaceutical and Cosmetics, Pvc, Textile industries. Presently, he is Executive Director of Corel Pharma Chem Private Limited. He is also associated with Universal Medicap Limited and C D Commodities Broking Limited as director and also actively associated as Trustee of Kadi Sarva Vishav Vidhyalaya. |
| Mr. Monica Kanuga | Non-Executive Director | Mrs. Monica Kanuga is a Fellow member of the ICSI by qualification and has an experience spanning over two decades across the sectors in providing consultation in the fields of Company Law, SEBI laws, Capital Market, Corporate Restructuring and Joint Venture formations. She has also been actively involved with drafting of Funding Agreements for venture or angel investors. At present she runs her own proprietorship firm of Practicing Company Secretaries and is associated with number of business houses in the private sector as well as in the public sector as Corporate Consultant rendering exclusive, qualitative professional services to the clients. |

2.9. Annual Evaluation of the Board's and Individual Directors:

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the working of its Audit, Nomination and Remuneration Committees. A structured questionnaire was prepared after taking into consideration, inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A member of the Board does not participate in the discussion of his / her evaluation.

2.10. Compliance with Code of Conduct:

The Company has adopted the Code of Conduct. The Code is available on the website of the Company <https://www.shilpgravures.com/investorrelations/policies>. The members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2019.

2.11. Prevention of Insider Trading Code:

Pursuant to SEBI Listing Regulations, the Company has formulated the "Code of Internal Procedures and Conduct for Regulating, Monitoring And Reporting of Trading by Insiders" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (Shilp) which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed. The Board of Directors, designated employees and connected persons have affirmed compliance with the Shilp Code.

In line with the amendments introduced recently by SEBI, the above Code has been amended suitably to align it with the amendments which are effective from April 1, 2019.

3. COMMITTEES OF THE BOARD:

3.1. Audit Committee:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013 ("the Act) and Regulation 18 of Listing Regulations, as applicable. The powers include investigating any activity within its terms of reference as specified by the Board and seeking information from any employee, obtain professional advice from external sources, secure attendance of outsiders with relevant expertise, if considered required and have full access to information contained in the records of the Company.

The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors, reviewing with the management quarterly results and annual financial statements before submission to the Board for approval approval or any subsequent modification of any transactions of the Company with related parties review and monitor the auditor's independence and performance and effectiveness of audit process scrutiny of inter corporate loans and investments, if any evaluation of internal financial controls and risk management system and reviewing the functioning of the whistle blower mechanism.

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

Mr. Shailesh Desai, Independent Non-Executive Director, is the Chairman of the Audit Committee. Mr. Nipam Shah, Non-Executive Director, Mr. Jainand Vyas, Independent Non-Executive Director and Mr. Kirit Patel Independent Non-Executive Director are other members of the Committee. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background.

The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer, Head of Accounting and Statutory Auditors and Internal Auditors are invitees to the Meetings of the Audit Committee.

During the year, the Audit Committee met four times on 28th April, 2018, 4th August, 2018, 29th October, 2018, and 2nd February, 2019. The maximum gap between any two meetings was less than one hundred and twenty days. The necessary quorum was present for all the meetings. During the year 2018-2019, the Audit Committee was re-constituted and Mr. Shailesh Desai appointed as Chairman of Audit Committee, Mr. Ambar Patel – Executive Director step down as Member of Audit Committee and Mr. Kirit Patel, Additional Director and Independent Director appointed as Member of Audit Committee w.e.f. 04th August, 2018.

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

| Name | Position | Number of meetings during the year 2018-19 | |
|----------------------|----------|--|----------|
| | | Held | Attended |
| Mr. Chinubhai Shah* | Chairman | 4 | Nil |
| Mr. Shailesh Desai** | Chairman | 4 | 4 |
| Mr. Nipam Shah | Member | 4 | 4 |
| Mr. Ambar Patel*** | Member | 4 | 2 |
| Mr. Jainand Vyas | Member | 4 | 2 |
| Mr. Kirit Patel**** | Member | 4 | 2 |

* ceased as Member of the Committee due to resignation from the directorship of the Company w.e.f. 14th May, 2018

** appointed as Chairman of Audit Committee w.e.f. 04th August, 2018

*** step down as Member of Audit Committee w.e.f. 04th August, 2018

**** appointed as Member of Audit Committee w.e.f. 04th August, 2018

The terms of reference of the Audit Committee broadly includes:

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

3.2. Nomination & Remuneration Committee:

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Act and Regulation 19 of Listing Regulations. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees formulation of criteria for evaluation of Independent Directors and the Board devising a policy on diversity of Board of Directors and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment, removal and noting their cessation and recommendation on extension or continuation of the terms of appointment of the Independent Directors.

Mr. Shailesh Desai, Independent Non-Executive Director, is the Chairman of the Committee and Mr. Nipam Shah, Non-Executive Director and Mr. Kirit Patel, Independent Non-Executive Director are other members of the Committee. The Company Secretary acts as the Secretary to the Committee.

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

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

During the year, the Nomination and Remuneration Committee met twice on 28th April, 2018 and 04th August, 2018. The necessary quorum was present for all the meetings.

• **Meetings and attendance during the year**

| Name | Position | Number of meetings during the year 2018-19 | |
|---------------------|----------|--|----------|
| | | Held | Attended |
| Mr. Shailesh Desai | Chairman | 2 | 2 |
| Mr. Nipam Shah | Member | 2 | 2 |
| Mr. Chinubhai Shah* | Member | 2 | Nil |
| Mr. Kirit Patel** | Member | 2 | Nil |

*ceased as member of the Committee due to resignation from the directorship of the Company w.e.f. 14th May, 2018

**appointed as Member of Nomination and Remuneration Committee w.e.f. 04th August, 2018.

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

• **Appointment Criteria and qualifications:**

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

• **Term / Tenure**

- i) **Managing Director / Whole-time Director / Manager:**
The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- ii) **Independent Director:**
Subject to the provisions of the applicable Regulations, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's report.
Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.
No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such prescribed period by the Statutory Authority from time to time.

• **Evaluation**

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

• **Removal**

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

• **Retirement**

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

• **Remuneration Policy**

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

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

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

- **Remuneration to Non-Executive / Independent Directors**
The Non-executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and shall also be paid to Non-executive Non Independent Directors, provided he / she is not in receipt of any remuneration or commission from the Company on regular basis. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors based out of Ahmedabad.
The profit-linked Commission if paid would be within the monetary limit as recommended by the Board and approved by the shareholders of the Company.
Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.
- **Remuneration to KMP / SMP / other Employees**
Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration varies based on the grades and are governed by industry patterns, qualification and experience of the employee, responsibilities handled by him, his individual performance, etc.

4. Details of Remuneration for the year ended March 31, 2019 are given below: (Rs. In Lacs)

| Name of the Director | Sitting Fee | Remuneration and Allowances | Perquisites and Retirement benefits | Commission | Total |
|----------------------------------|-------------|-----------------------------|-------------------------------------|------------|--------|
| Executive Director : | | | | | |
| Mr. Ambar Patel * | - | 128.46 | 32.89 | - | 161.35 |
| Non-Executive Directors : | | | | | |
| Mr. Chinubhai Shah** | - | - | - | - | - |
| Mr. Shailesh Desai | 1.75 | - | - | - | 1.75 |
| Mr. Nipam Shah# | 1.55 | 8.04 | - | - | 9.59 |
| Mr. Jainand Vyas | 0.95 | - | - | - | 0.95 |
| Mr. Kirit Patel | 0.85 | - | - | - | 0.85 |
| Mr. Monica Kanuga# | 0.95 | 3.075 | - | - | 4.025 |

*The remuneration of Mr. Ambar Patel Managing Director includes the Silver Jubilee Bonus of Rs.78.00 lakhs paid during the year 2018-19.

**ceased as Member due to resignation from the directorship of the Company w.e.f. 14th May, 2018.

#Paid as Professional Consultancy Fees (Including TDS).

- 1) Notice period for Executive Directors is 3 months. The Company enters into service contracts with executive director for a period of 3 years
- 2) The Company has not issued any stock options to the Directors.
- 3) During the year 2018-19, the Company has paid sitting fees of Rs. 15,000/- per meeting to its Non-Executive Directors for attending meetings of the Board of Directors and Audit Committee meetings whereas Rs. 10,000/- per meeting were paid for attending the meetings of Stakeholders' Relationship Committee and Nomination & Remuneration Committee of the Company and Independent Directors Meeting.
- 4) Non - Executive Directors does not have any material pecuniary relationship or transactions except those mentioned under Related Party Transactions.

5. Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer/transmission of shares, issue of duplicate shares, exchange of new design share certificates, recording dematerialisation/rematerialiation of shares and related matters. The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Mrs. Monica Kanuga, Non-Executive Director is the Chairperson of the Committee and Mr. Shailesh Desai, Independent Non-Executive Director and Mr. Jainand Vyas, Independent Non-Executive Director are other members of the Committee. Mr. Bharat Patel Company Secretary acts as the Compliance Officer to the Committee.

The Committee met two times during the year on 28th April, 2018, and 29th October, 2018. The necessary quorum was present for all the meetings.

Details of Investors' complaints received and redressed during the year 2018-19 are as follows:

No. of Shareholders' complaints received: Nil

No. not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

• **Meetings and attendance during the year**

| Name | Position | Number of meetings during the year 2018-19 | |
|------------------------|----------|--|----------|
| | | Held | Attended |
| Mr. Chinubhai Shah* | Chairman | 2 | Nil |
| Mrs. Monica Kanuga** | Chairman | 2 | 2 |
| Mr. Jainand Vyas | Member | 2 | 1 |
| Mrs. Shailesh Desai*** | Member | 2 | 1 |

*ceased as Member of the Committee due to resignation from the directorship of the Company w.e.f. 14th May, 2018.

**appointed as Chairman of the Committee w.e.f. 04th August, 2018.

***appointed as Member the Committee w.e.f. 04th August, 2018.

6. CSR Committee:

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

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

| Name | Position | Number of meetings during the year 2018-19 | |
|--------------------|----------|--|----------|
| | | Held | Attended |
| Mr. Nipam Shah | Chairman | 4 | 4 |
| Mr. Shailesh Desai | Member | 4 | 4 |
| Mr. Ambar Patel | Member | 4 | 4 |

iii) During the year, the CSR Committee met four times on 28th April, 2018, 4th August, 2018, 29th October, 2018 and 2nd February, 2019. Necessary quorum was present for the meeting.

iv) The broad terms of reference of the CSR Committee includes:

- To frame the CSR Policy and its review from time – to – time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

v) The CSR Report for the year ended March 31, 2019 is attached as an Annexure to the Board's Report.

7. INFORMATION RELATING TO GENERAL BODY MEETINGS:

a. Annual General Meeting

| Financial Year | Date | Time | Venue |
|----------------|----------------------------------|------------|--|
| 2017-2018 | 14 th July, 2018 | 04.00 p.m | 778/6, Pramukh Industrial Estate, Sola – Santej Road, Village: Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 722, Gujarat, India |
| 2016-2017 | 23 rd September, 2017 | 04.00 p.m | |
| 2015-2016 | 23 rd September, 2016 | 04.00 p.m. | |

b. Extra Ordinary General Meeting: No Extra – Ordinary General Meeting of the members was held during the year 2018-19.

i) Postal Ballot: No Special Resolution was passed through Postal Ballot during the year 2018-19.

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

| Date of Meeting | Resolutions |
|----------------------------------|--|
| 14 th July, 2018 | - Re-appointment of Mr. Ambar Patel as Managing Director |
| 23 rd September, 2017 | - Approval of Borrowing/Financial Assistance under Section 180(1) (c) if the Companies Act, 2013 - Approval for creation of Mortgage/ Charge for Borrowing/Financial Assistance availed under Section 180 (1) (a) of the Companies Act, 2013 - Adoption of new sets of Articles of Association |
| 23 rd September, 2016 | - Transaction with Related Party u/s 188 of the Companies Act, 2013 |

8. MEANS OF COMMUNICATION:

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

9. GENERAL SHAREHOLDER INFORMATION:

| | | |
|-----|---|--|
| 1. | Annual General Meeting: | Monday, 26 th August, 2019, at 04.00 p.m. - 778/6, Pramukh Industrial Estate, Sola-Santej Road, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 722, Gujarat |
| 2. | Financial Year: | 2018 - 2019 |
| | Book Closure: | Tuesday, the 20 th day of August, 2019 to Monday 26 th day of August, 2019 (both days inclusive) |
| 3. | Dividend Payment Date: | on or after 30 th August, 2019 |
| 4. | Listing on Stock Exchanges: | BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 |
| 5. | Stock Code/ Symbol: | Stock Code - 513709, Stock Symbol - SHILGRAVQ, ISIN - INE960A01017 |
| 6. | Registrar and Share Transfer Agent: | M/s. Link Intime (India) Private Limited 5th Floor, 506 to 508, Amarnath Business Centre - 1 (ABC -1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C.G. Road, Navrangpura, Ahmedabad -380009 Email: ahmedabad@linkintime.co.in Website: https://www.linkintime.co.in |
| 7. | Share Transfer System: | Share Transfer Agent attends to the share transfer work and shares are transferred within a period of fifteen days from the date of lodgment, if the documents are accurate in all respects. Requests for Issue of Duplicate Shares / Fresh Share Certificate / Transmission / Consolidation of Shares are under the authority of Company Secretary. All requests for dematerialisation of shares are processed and the confirmation is generally given to the Depositories within 15 days |
| 8. | Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity: | Not applicable |
| 9. | Commodity price risk or foreign exchange risk and hedging activities: | Not applicable |
| 10. | Plant Location | Shilp Gravures Limited Factory & Registered Office: Shilp Gravures Limited 778/6, Pramukh Industrial Estate, Sola - Santej Road, Village Rakanpur, Taluka Kalol, Dist. Gandhinagar - 382 722, Gujarat, India. |
| 11. | Address of Correspondence: | Shilp Gravures Limited 778/6 Pramukh Industrial Estate, Sola - Santej Road, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 722, Gujarat, India, Tel. No.: +91 2764 286323, Fax No. : +91 2764 286335 E-mail address for Investor Services: purvipatel@shilpgravures.com Website: https://www.shilpgravures.com |
| 12. | In case the securities are suspended from trading, the directors report shall explain the reason thereof | Not applicable |
| 12. | Market price data - high, low during each month in last financial year: | Please see Annexure 'A' |
| 13. | Share Performance of the Company in comparison to BSE Sensex: | Please see Annexure 'B' |
| 14. | Distribution of shareholding as on March 31, 2019: | Please see Annexure 'C' |
| 15. | Dematerialization of Shares and Liquidity: | As on 31 st March, 2019, 57,90,600 shares (94.15%) are held in dematerialized |
| 16. | List of Credit Rating obtained by the entity during financial year | The Company has not obtained any credit rating during financial year |

10. OTHER DISCLOSURES:

- i. During the financial year ended March 31, 2019, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note No. 39 to the Annual Financial Statements.
- ii. The equity shares of the Company are listed on BSE Limited, Mumbai and the Company has complied with all the applicable Regulations of capital markets and no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- iii. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a vigil mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. It is affirmed that no person has been denied access to the Audit Committee. The Whistle Blower Policy is placed on the website of the Company <https://www.shilpgravures.com/investorrelations/policies>.
- iv. The policy for determining material subsidiary available on the website of the Company <https://www.shilpgravures.com/investorrelations/policies>.
- v. The police for dealing with related party transaction available on the website of the Company <https://www.shilpgravures.com/investorrelations/policies>.
- vi. The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.
- vii. The Company has not raised any funds through preferential allotment or qualified institution placement during the financial year ended March 31, 2019.
- viii. A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to Corporate Governance Report.
- ix. There has been no such incidence where the board has not accepted any recommendation of any committee of the board during the year under review.
- x. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor given in Note No. 31 of financial Statement.
- xi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

| Sr. | Particulars | No. |
|-----|--|-----|
| 1 | Number of complaints on Sexual harassment received during the year | NIL |
| 2 | Number of Complaints disposed off during the year | NA |
| 3 | Number of cases pending as on end of the Financial Year | NA |

11. The Company has complied with the requirements of Schedule V Corporate Governance Report sub paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
12. Details of compliance with mandatory requirements and adoption of Discretionary Requirements.
 - (a) The Board - The Company does not have regular Chairperson.
 - (b) Shareholder Rights- Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website www.shilpgravures.com
 - (c) Modified opinion(s) in audit report - The Company has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements
 - (e) Reporting of Internal Auditor- The Internal Auditor of the Company reports to the Audit Committee.

13. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

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

14. CEO and CFO Certification

The Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2019 is enclosed to Corporate Governance Report.

15. Declaration signed by Chief Executive Officer stating that members of the Board of directors and senior management personnel have affirmed with the compliance with code of conduct of board of directors and senior management is enclosed to corporate governance report.
16. Compliance certificate from statutory auditors regarding compliance of condition of corporate governance is enclosed to corporate governance report.

ANNEXURE – A

Market price data of the Company's shares traded on BSE Limited (BSE) during the financial year 2018-19

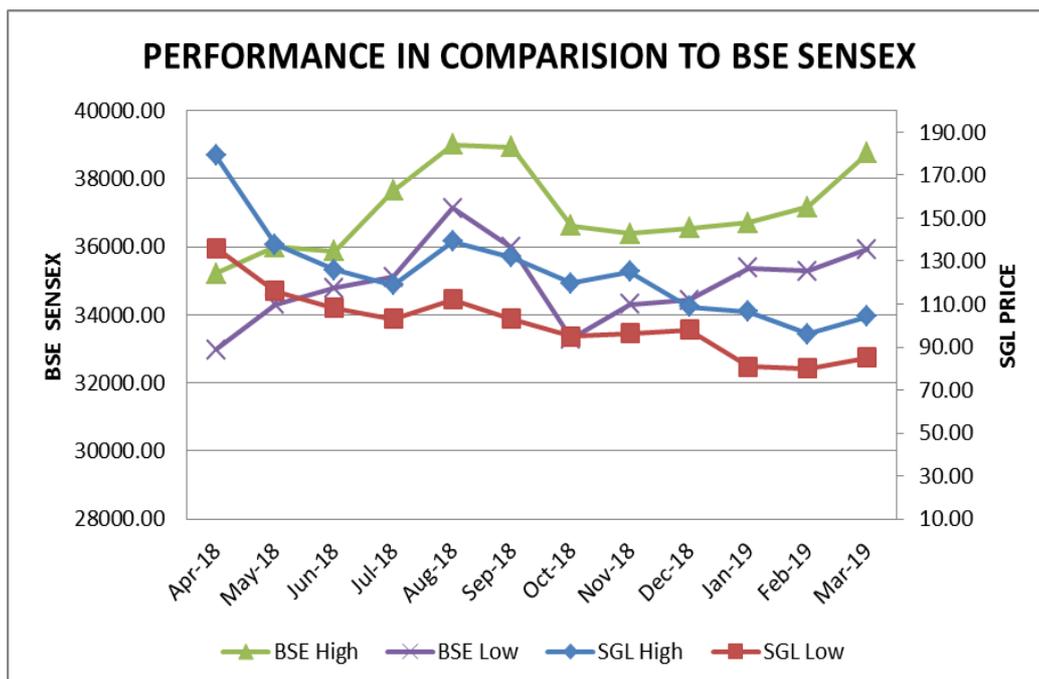
| Month - Year | High Price | Low Price |
|------------------|------------|-----------|
| April - 2018 | 179.00 | 136.10 |
| May - 2018 | 137.70 | 116.00 |
| June - 2018 | 126.00 | 108.25 |
| July - 2018 | 119.00 | 103.00 |
| August - 2018 | 139.20 | 112.20 |
| September - 2018 | 131.75 | 103.00 |
| October - 2018 | 119.80 | 95.05 |
| November - 2018 | 124.95 | 96.50 |
| December - 2018 | 108.80 | 98.00 |
| January - 2019 | 106.45 | 81.00 |
| February - 2019 | 96.00 | 80.00 |
| March - 2019 | 104.20 | 85.10 |

ANNEXURE – B

Share Performance of the Company in comparison to BSE SENSEX:

Monthly High and Low (based on daily closing prices) of the Company's Equity shares traded at BSE Limited and its performance in comparison to BSE SENSEX for the financial year ended 31st March, 2019 is given below:

| Month | SGL (High) | SGL (Low) | BSE (High) | BSE (Low) |
|------------------|------------|-----------|------------|-----------|
| April - 2018 | 179.00 | 136.10 | 35213.30 | 32972.56 |
| May - 2018 | 137.70 | 116.00 | 35993.53 | 34302.89 |
| June - 2018 | 126.00 | 108.25 | 35877.41 | 34784.68 |
| July - 2018 | 119.00 | 103.00 | 37644.59 | 35106.57 |
| August - 2018 | 139.20 | 112.20 | 38989.65 | 37128.99 |
| September - 2018 | 131.75 | 103.00 | 38934.35 | 35985.63 |
| October - 2018 | 119.80 | 95.05 | 36616.64 | 33291.58 |
| November - 2018 | 124.95 | 96.50 | 36389.22 | 34303.38 |
| December - 2018 | 108.80 | 98.00 | 36554.99 | 34426.29 |
| January - 2019 | 106.45 | 81.00 | 36701.03 | 35375.51 |
| February - 2019 | 96.00 | 80.00 | 37172.18 | 35287.16 |
| March - 2019 | 104.20 | 85.10 | 38748.54 | 35926.94 |



ANNEXURE – C

The distribution of shareholdings as on 31st March, 2019:

| Number of Shares Category (shares) | Shareholders | | Shareholding | |
|---------------------------------------|----------------|-------|---------------|-------|
| | No. of Holders | % | No. of shares | % |
| 1-500 | 4984 | 88.52 | 634579 | 10.32 |
| 501-1000 | 290 | 5.15 | 239815 | 3.90 |
| 1001-2000 | 156 | 2.78 | 227832 | 3.70 |
| 2001-3000 | 70 | 1.24 | 173276 | 2.82 |
| 3001-4000 | 23 | 0.41 | 80793 | 1.31 |
| 4001-5000 | 23 | .041 | 107328 | 1.75 |
| 5001-10000 | 32 | 0.57 | 239441 | 3.90 |
| 10001-above | 52 | 0.92 | 4446736 | 72.30 |
| Total | 5630 | 100 | 6149800 | 100 |

Shareholding pattern as on 31st March, 2019:

| Category | No. of Shares | (%) of total capital |
|--|----------------|----------------------|
| Indian Promoters | 1967666 | 32.00 |
| Foreign Promoters | 1770440 | 28.79 |
| Central Govt.(IEPF) | 57788 | 0.94 |
| Financial Institutions/Banks | 0 | 0.00 |
| Body Corporate | 103010 | 1.68 |
| Indian Public | 1901945 | 30.93 |
| NRI (Repatriable) | 208165 | 3.38 |
| NRI (Non-Repatriable) | 12736 | 0.21 |
| Director(s) & their Relatives | 48753 | 0.79 |
| Others (Trust, HUF and Clearing Members) | 79297 | 1.29 |
| Grand Total | 6149800 | 100.00 |

Certificate under Schedule V(C)(10) (i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

To,
 The Board of Directors
 Shilp Gravures Limited

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

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year 2018-2019 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Shilp Gravures Ltd.
 Sd/-

Mr. Roshan Shah
 Chief Executive Officer

Place: Rakanpur
 Date: 27th April, 2019

For Shilp Gravures Ltd.
 Sd/-

Mr. Amit Agrawal
 Chief Financial Officer

Place: Rakanpur
 Date: 27th April, 2019

DECLARATION BY CHIEF EXECUTIVE OFFICER

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

I confirm that the Company has in respect of the financial year ended March 31, 2019, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel mean the Chief Financial Officer, Employees heading various departments and Company Secretary as on March 31, 2019.

Mr. Roshan Shah
Chief Executive Officer

Place: Rakanpur
Date: 27th April, 2019

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SHILP GRAVURES LIMITED

We have examined the compliance of conditions of corporate governance by **SHILP GRAVURES LIMITED** ('the Company') for the year ended on 31 March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2019.

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

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For SHAH & SHAH ASSOCIATES
Chartered Accountants
(FRN: 113742W)

SUNIL K. DAVE
PARTNER
(Membership No. 047236)

Place: Ahmedabad
Date: April 27, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS OF SHILP GRAVURES LIMITED (CIN: L27100GJ1993PLC020552)

[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Based on the disclosures provided by the Directors under the provisions of Section 164 and Section 184 of the Companies Act, 2013 and the information provided by the Company and its officers and the information available on the portal of the Ministry of Corporate Affairs for the Directors of the Company, I, hereby certify that none of the Directors on the Board of the Company on 31st of March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2019.

Place : Ahmedabad
Date : 20th April, 2019

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

ECONOMY OVERVIEW:

India to retain status as fastest growing major economy in 2019-20 according to World Bank. Fuelled by policy reforms and rebound in credit, India's economy is forecast to expand by 7.5 per cent during the 2019-20 fiscal year and retain its position as the fastest growing major economy in a world as consumption remains robust and investment growth continues, and as economic activity benefits from various policy reforms.

For fiscal 2020, sustaining the momentum in overall investments will be a tough task without support from private investments. With continuously improving capacity utilization and the end of the de-leveraging phase for corporates, conditions are ripe for a revival of private corporate investments," The positive outlook is buttressed by strong drivers emanating from services sector.

Better demand conditions, settled GST implementation, capacity expansion resulting from growing investments in infrastructure and continuing positive effects of the reform policies undertaken and improved credit off-take, especially in services sector at 24 per cent, will sustain the robust GDP growth in the range of 7.5 per cent in 2019. (Source CII).

Drivers for growth : According to the report, there are seven key drivers for growth including GST, Insolvency and Bankruptcy Code, ease of doing business, agriculture, credit flow, oil price and infrastructure. The Government's "Digital India" initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and increasing digital literacy will lead to empowerment in the rural areas.

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

The Government of India, under the "Make in India" initiative, has provided an environment to give a boost to the manufacturing sector and aims to take it up to 25% of the GDP from the current 17%. It also aims to increase the purchasing power of the average Indian consumer, which would further boost demand, and stimulate development, in addition to benefitting investors.

INDUSTRY STRUCTURE AND DEVELOPMENT

PACKAGING INDUSTRY:

The growth of the Indian packaging industry is heavily influenced by changing demographics such as growing urbanization and the rising proportion of middle class consumers. These changes drive the need for new packaging formats, such as different sizes, materials, and strength.

The industry constitutes about 4 per cent of the global market. As the requirement for packaging is rising across sectors with traditional businesses preferring to package products, and the retail and e-commerce growing rapidly, the sector is growing at a robust pace. The industry certainly presents potential growth opportunities for new entrepreneurs, and small and medium enterprises.

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

Demand for flexible packaging in the Indian market, estimated at \$ 5600 Million in 2017, is expected to grow at nearly 10 percent a year over the next five years. The flexible packaging supply chain is also benefitting from the concerted efforts of the Ministry of Food Processing Industries (MoFPI) in providing financial support for the construction of Food Mega Parks and improved cold store facilities.

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

Flexible packaging can now be made in a wide variety of innovative shapes, sizes and appearances, and can include components such as handles and opening and reclosing features such as zips and spouts to name a few. Changing consumer lifestyle has increased dependence on processed, pre-cooked and packed foods, which also mobilized the entire flexible packaging supply chain to sync product offering as per end customer's requirement. The flexible packaging industry has witnessed introduction of new and efficient films that are used in flexible packaging. Modified Atmosphere Packaging (MAP), vacuum skin packaging are some of the current trending packaging solutions which have been developed to meet end customer demand.

GRAVURE INDUSTRY:

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

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

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

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

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

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

OPPORTUNITY:

Flexible packaging has been the prime-mover of the packaging industry. Owing to developments across consumer and industrial markets that use polymeric films, improvements in manufacturing practices, and continued technological innovations, the packaging market has been able to continually grow and evolve. As a result of the various features that come along with flexible packaging right from the ease of handling, storage, to being cost efficient, flexible packaging has carved a strong position for itself on the global turf.

One of the main factors driving the growth of flexible packaging market is the rise in its demand and wide acceptance of this type of packaging across segments such as food and beverages, industrial goods and Fast Moving Consumer Goods (FMCG). Enhanced functionality and improved aesthetics have made flexible packaging perfect for branding and display of goods and products at the point of sale (POS), in turn driving sectoral growth.

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

THREATS, RISKS AND CONCERNS:

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

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

FUTURE OUTLOOK:

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

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

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

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

SEGMENT WISE PERFORMANCE:

As on March 31, 2019, the Company has only two reportable segments, that of i) manufacture of engraved copper rollers and ii) energy generation through wind mill. The segment revenue, results, assets, and liabilities include the respective amounts identifiable to each of the segment and amount allocated to it. The figurative parameter in detail is provided in Note no. 40 (Segment Reporting) in the Note to Financial Statements.

FINANCIAL PERFORMANCE:

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

HUMAN RESOURCES / INDUSTRY RELATIONS:

Shilp employs more than 450 employees directly and indirectly. It believes that the quality of these employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancement and evolving workplace requirements. The focus of any industry is usually on its men and machinery and if these are looked after well then any business is sure to succeed.

We took up extensive in-house on the job training for various category of employees and fresh recruits. Besides this the training & seminar participations for new norms like GST was also in the agenda so as to ensure a smooth transition of the systems in the new tax norms. This year in addition to having annual health check-up we also informally educated our employees on TB. Your Company's Human Resource agenda makes the "EMPLOYEES" its focal point and hence their well-being, skill up gradation and livelihood has been the most targeted area.

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

CAUTIONARY STATEMENT:

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

On the behalf of The Board of Directors

Ambar Patel
(Managing Director)

Shailesh Desai
(Director)

Place: Rakanpur
Date: 27th April, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SHILP GRAVURES LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **SHILP GRAVURES LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (Collectively referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2019, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act; 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2016.
 - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SHAH & SHAH ASSOCIATES
Chartered Accountants
(FRN: 113742W)

SUNIL K.DAVE
PARTNER

Membership Number: 047236

Place : Ahmedabad
Date: April 27, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report of even date on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us we report that, Immovable properties of land & buildings whose title deeds have been pledged as security for Borrowings are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under section 185 and 186 of the Companies Act, 2013. Hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Hence reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
- (c) The details of Income-tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:
- | Details of dues Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved and Unpaid (Rs. In Lacs) |
|---------------------------------|----------------|--------------------------------|------------------------------------|--|
| The Income Tax Act, 1961 | Income Tax | Income Tax Appellate Tribunal | A.Y. 2013-14 | 38.04 |
- (d) There are no dues of duty of excise, service tax, and value added tax, Goods and Service Tax and customs duty that have not been deposited as at 31st March, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures and has not taken any loans from the government.
- (ix) In our opinion and according to the information and explanation given to us, the company has utilised the term loan for the purpose for which it was raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SHAH & SHAH ASSOCIATES

Chartered Accountants

(FRN: 113742W)

SUNIL K.DAVE

PARTNER

Membership Number: 047236

Place : Ahmedabad

Date: April 27, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SHILP GRAVURES LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For SHAH & SHAH ASSOCIATES

Chartered Accountants
(FRN: 113742W)

SUNIL K.DAVE
PARTNER

Membership Number: 047236

Place : Ahmedabad
Date: April 27, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lacs)

| PARTICULARS | NOTES | AS AT 31ST MARCH, 2019 | AS AT 31 ST MARCH, 2018 |
|---|-------|--|--|
| ASSETS | | | |
| Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 4 | 4,261.05 | 4,366.11 |
| (b) Capital work-in-progress | 5 | 27.93 | 28.54 |
| (c) Financial Assets | | | |
| (i) Other Financial Assets | 6 | 72.90 | 68.24 |
| (d) Non - Current Tax Assets (net) | 7 | 159.70 | 106.63 |
| (e) Other Non-Current Assets | 8 | 10.47 | 5.93 |
| Total Non - Current Assets | | 4,532.05 | 4,575.45 |
| Current Assets | | | |
| (a) Inventories | 9 | 799.39 | 665.07 |
| (b) Financial Assets | | | |
| (i) Investments | 10 | 1,974.55 | 1,617.79 |
| (ii) Trade Receivables | 11 | 1,588.79 | 1,554.04 |
| (iii) Cash and Cash Equivalents | 12 | 40.71 | 59.18 |
| (iv) Bank Balances other than (iii) above | 12 | 25.61 | 12.57 |
| (v) Other Financial Assets | 13 | 2.95 | 6.37 |
| (c) Other Current Assets | 14 | 27.66 | 33.77 |
| Total Current Assets | | 4,459.66 | 3,948.79 |
| TOTAL ASSETS | | 8,991.71 | 8,524.24 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 15 | 614.98 | 614.98 |
| (b) Other Equity | 16 | 5,814.52 | 5,353.06 |
| TOTAL EQUITY | | 6,429.50 | 5,968.04 |
| LIABILITIES | | | |
| Non - Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 651.88 | 446.02 |
| (b) Provisions | 18 | 53.44 | 117.03 |
| (c) Deferred Tax Liabilities (Net) | 19 | 273.34 | 355.37 |
| Total Non - Current Liabilities | | 978.66 | 918.42 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 427.86 | 404.95 |
| (ii) Trade Payables | | | |
| (iia) Total outstanding due of Micro, small and medium enterprises | 21 | 71.23 | 87.46 |
| (iib) Total outstanding due of creditors other than Micro, small and medium enterprises | 21 | 674.26 | 710.03 |
| (iii) Other Financial Liabilities | 22 | 351.00 | 352.61 |
| (b) Provisions | 23 | 28.56 | 36.62 |
| (c) Other Current Liabilities | 24 | 30.64 | 46.11 |
| Total Current Liabilities | | 1,583.55 | 1,637.78 |
| TOTAL LIABILITIES | | 2,562.21 | 2,556.20 |
| TOTAL EQUITY AND LIABILITIES | | 8,991.71 | 8,524.24 |
| See accompanying notes forming part of the financial statements | | | |
| In terms of our report attached | | For and on behalf of the Board of Directors of Shilp Gravures Limited | |
| For Shah & Shah Associates Chartered Accountants Firm Regd. No. (FRN: 113742W) | | Ambar J. Patel Managing Director (DIN No. - 00050042) | Shailesh C Desai Director (DIN No. - 00169595) |
| Sunil K.dave Partner Membership No. 047236 | | Amit Agrawal Chief Financial Officer | Roshan Shah Chief Executive Officer |
| Place : Ahmedabad Date : 27 th April, 2019 | | Bharat Patel Company Secretary | |
| Place : Rakanpur Date : 27 th April, 2019 | | | |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lacs)

| PARTICULARS | NOTE | YEAR ENDED 31st MARCH, 2019 | YEAR ENDED 31st MARCH, 2018 |
|--|------|--------------------------------|--------------------------------|
| I Revenue from Operations | 25 | 7,413.16 | 6,904.07 |
| II Other Income | 26 | 215.90 | 139.89 |
| III TOTAL REVENUE (I+II) | | 7,629.06 | 7,043.96 |
| IV EXPENSES | | | |
| Cost of raw materials consumed | 27 | 2,010.95 | 1,913.08 |
| Changes in inventories of finished goods and work in progress | 28 | 15.86 | (48.91) |
| Employee benefits expense | 29 | 2,329.90 | 1,962.69 |
| Finance costs | 30 | 120.41 | 99.06 |
| Depreciation and amortisation expense | 4 | 685.68 | 658.57 |
| Other expenses | 31 | 1,558.77 | 1,609.18 |
| TOTAL EXPENSES (IV) | | 6,721.57 | 6,193.67 |
| V Profit Before Tax (III-IV) | | 907.49 | 850.29 |
| VI Tax Expenses | | | |
| (1) Current tax | 32 | 236.72 | 248.08 |
| (2) (Excess) / Short provision for tax relating to prior years | | (23.78) | (1.17) |
| (3) Deferred tax | | (76.87) | (99.88) |
| | | 136.07 | 147.03 |
| VII Profit for the year (V-VI) | | 771.42 | 703.26 |
| VIII Other Comprehensive Income: | | | |
| Items that will not be reclassified to Statement of Profit or Loss | | | |
| Remeasurement of defined benefits plan | | (18.56) | (4.43) |
| Income Tax Expenses on Remeasurement of defined benefits plan | | 5.16 | 1.23 |
| IX Total Other Comprehensive Income | | (13.40) | (3.20) |
| X Total Comprehensive Income for the year (VII+IX) | | 758.02 | 700.06 |
| Earnings per equity share (Face value of Rs. 10 each) | | | |
| Basic & Diluted (in Rs.) | 33 | 12.54 | 11.44 |
| See accompanying notes forming part of the financial statements | | | |

In terms of our report attached

For Shah & Shah Associates

Chartered Accountants
Firm Regd. No. (FRN: 113742W)

Sunil K.dave

Partner
Membership No. 047236

Place : Ahmedabad
Date : 27th April, 2019

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

Ambar J. Patel

Managing Director (DIN No. - 00050042)

Amit Agrawal

Chief Financial Officer

Place : Rakanpur
Date : 27th April, 2019

Shailesh C Desai

Director (DIN No. - 00169595)

Roshan Shah

Chief Executive Officer

Bharat Patel

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital

| PARTICULARS | No. Shares | Amount (Rs. in Lacs) |
|---|------------------|-------------------------|
| Balance as at 1st April, 2017 | 61,49,800 | 614.98 |
| Changes in equity share capital during the year | - | - |
| Balance as at 31st March, 2018 | 61,49,800 | 614.98 |
| Changes in equity share capital during the year | - | - |
| Balance as at 31st March, 2019 | 61,49,800 | 614.98 |

B. Other Equity

| PARTICULARS | Reserves & Surplus | | | Total (Rs. in Lacs) |
|---|--------------------|-----------------|-------------------|------------------------|
| | Capital Reserve | General Reserve | Retained Earnings | |
| Balance as at 1st April, 2017 | 15.00 | 1,309.76 | 3,439.27 | 4,764.03 |
| Profit for the year | - | - | 703.26 | |
| Other comprehensive income (*) for the year | - | - | (3.20) | |
| Total comprehensive income | 15.00 | 1,309.76 | 4,139.33 | 5,464.09 |
| Payment of Dividends | - | - | (92.25) | |
| Tax on Dividend Paid | - | - | (18.78) | |
| Transfer to General Reserve | - | 25.00 | (25.00) | |
| Balance as at 31st March, 2018 | 15.00 | 1,334.76 | 4,003.30 | 5,353.06 |
| Profit for the year | - | - | 771.42 | |
| Other comprehensive income (*) for the year | - | - | (13.40) | |
| Total comprehensive income | 15.00 | 1,334.76 | 4,761.32 | 6,111.08 |
| Payment of Dividends | - | - | (246.00) | |
| Tax on Dividend Paid | - | - | (50.56) | |
| Transfer to General Reserve | - | 25.00 | (25.00) | |
| Balance as at 31st March, 2019 | 15.00 | 1,359.76 | 4,439.76 | 5,814.52 |

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

See accompanying notes forming part of the financial statements

In terms of our report attached

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

For Shah & Shah Associates
Chartered Accountants
Firm Regd. No. (FRN: 113742W)

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

Shailesh C Desai
Director (DIN No. - 00169595)

Sunil K.dave
Partner
Membership No. 047236

Amit Agrawal
Chief Financial Officer

Roshan Shah
Chief Executive Officer

Bharat Patel
Company Secretary

Place : Ahmedabad
Date : 27th April, 2019

Place : Rakanpur
Date : 27th April, 2019

STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2019

(₹ in Lacs)

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 | YEAR ENDED 31st MARCH, 2018 |
|--|--------------------------------|--------------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 907.49 | 850.29 |
| Adjustments for : | | |
| Depreciation and amortisation expenses | 685.68 | 658.57 |
| Bad debts written off | 2.84 | - |
| Finance cost | 120.41 | 99.06 |
| Interest income from banks | (0.13) | (0.33) |
| Interest income on deposit | (2.92) | (3.34) |
| Net gain on sale of current investments | (109.73) | (24.43) |
| Net gain arising on Mutual Fund Investment measured at FVTPL | (23.62) | (97.93) |
| Dividend Income | - | (0.21) |
| (Gain) / Loss on disposal of Property, Plant and Equipments (net) | 34.53 | (2.83) |
| Net unrealised foreign exchange loss / (gain) | 1.48 | 1.02 |
| Provision For Expected Credit Loss | 3.89 | 4.04 |
| Unclaimed Liabilities / Provisions no longer required written back | - | (10.04) |
| | 712.43 | 623.58 |
| Operating profit/(loss) before working capital changes | 1,619.92 | 1,473.87 |
| <u>Changes in Working Capital:</u> | | |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade Payables | (53.52) | 149.59 |
| Non Current Provisions | (82.15) | (3.21) |
| Other Current Financial Liabilities | 3.87 | 36.06 |
| Current Provisions | (8.06) | (1.29) |
| Other Current Liabilities | (15.47) | (15.42) |
| Adjustments for (increase) / decrease in operating assets: | | |
| Trade Receivables | (41.60) | (294.85) |
| Inventories | (134.32) | (145.72) |
| Other Non Current Financial Assets | (4.66) | 2.29 |
| Other Non Current Assets | (2.92) | 1.63 |
| Other Current Financial Assets | 3.42 | (3.83) |
| Other Current Assets | 6.11 | 68.81 |
| | (329.30) | (205.94) |
| Cash Generated from Operations | 1,290.62 | 1,267.93 |
| Net income tax paid | (266.01) | (295.90) |
| Net Cash generated from Operating Activities (A) | 1,024.61 | 972.03 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payment for Property, Plant and Equipments | (757.70) | (955.27) |
| Proceeds from disposal of Property, Plant and Equipments | 121.06 | 16.78 |
| Investment in Mutual Funds | (1,052.63) | (691.80) |
| Proceeds from disposal of Mutual Funds | 829.23 | 425.57 |
| Interest received from Bank | 0.13 | 0.33 |
| Interest income on deposit | 2.92 | 3.34 |
| Proceeds from Fixed Deposit matured with Banks | (10.18) | 205.00 |
| Dividend received from current investment | - | 0.21 |
| Net Cash used in Investing Activities (B) | (867.17) | (995.84) |

STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2019 (contd...)

(₹ in Lacs)

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 | YEAR ENDED 31st MARCH, 2018 |
|--|--------------------------------|--------------------------------|
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | 450.13 | 583.11 |
| Repayment of Long Term Borrowings | (232.14) | (66.63) |
| Net (decrease) / increase in working capital borrowings | 22.91 | (309.97) |
| Interest Paid | (120.41) | (99.06) |
| Dividend Paid | (246.00) | (92.25) |
| Tax on Dividend Paid | (50.56) | (18.78) |
| Net Cash generated from Financing Activities (C) | (176.07) | (3.58) |
| Net decrease in Cash & Cash Equivalents (A+B+C) | (18.63) | (27.39) |
| Cash and Cash Equivalents at the beginning of the year | 59.18 | 86.21 |
| Effect of exchange rate changes on balance of foreign currency Cash and cash equivalents | 0.16 | 0.36 |
| Cash and Cash Equivalents at the end of the year | 40.71 | 59.18 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Cash and cash equivalents as per Balance Sheet (Refer Note 13) | 66.32 | 71.75 |
| Less: Unpaid dividend Accounts | 15.43 | 12.57 |
| Less: Bank balances not considered as Cash and cash equivalents (as defined in Ind AS 7 Statements of Cash Flows) | 10.18 | - |
| Net Cash and cash equivalents (as defined in Ind AS 7 Statements of Cash Flows) included in Note 13 | 40.71 | 59.18 |
| Cash and cash equivalents at the end of the year comprises of | | |
| (a) Cash on hand | 5.20 | 3.04 |
| (b) Cheques/Drafts on hand | 16.79 | 20.77 |
| (c) Balances with Banks | | |
| (i) In Current Accounts | 18.72 | 35.37 |
| | 40.71 | 59.18 |

Note :

- The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- Cash and cash equivalents includes Rs. 15.43 Lacs (P.Y. 12.57 Lacs) in earmarked account balances with banks which can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached

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

 Chartered Accountants
 Firm Regd. No. (FRN: 113742W)

Sunil K.dave

 Partner
 Membership No. 047236

 Place : Ahmedabad
 Date : 27th April, 2019

Ambar J. Patel

Managing Director (DIN No. - 00050042)

Amit Agrawal

Chief Financial Officer

 Place : Rakanpur
 Date : 27th April, 2019

Shailesh C Desai

Director (DIN No. - 00169595)

Roshan Shah

Chief Executive Officer

Bharat Patel

Company Secretary

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Shilp Gravures Limited is a public limited company, incorporated in the year 1993 under the provisions of the Companies Act, 1956 having its registered office at 778/6, Pramukh Industrial Estate, Sola-Santej Road, Rakanpur, Tal. Kalol, Gandhinagar – 382722, Gujarat, India. The Company has set up, the first gravure roller manufacturing house in India. The Company is engaged in engraving of rollers using three different engraving technologies i.e. electronic, laser and chemical etching. The engraved rollers are used in printing and packaging industries.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

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

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

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

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

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

3. Significant Accounting Policies

3.1 Revenue recognition

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

Sale of goods

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

Rendering of services

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

Dividend and interest income

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

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

3.2 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

3.3 Borrowing costs

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

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

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

3.4 Employee benefits

Defined benefit plans

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

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

Defined Contribution plan

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

Compensated Absences

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

Short term employee benefits:

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

3.5 Taxation

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

Current tax

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

Deferred tax

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

3.6 Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

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

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

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

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

3.8 Inventories

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

3.9 Provisions, Contingent Liabilities and Contingent Assets

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

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

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

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

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

3.10 Financial Instruments

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

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

3.11 Financial assets**Initial recognition and measurement**

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

Subsequent measurement

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

Effective interest method

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

Classification of financial assets:**Financial assets measured at amortized cost**

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

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

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

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

Financial assets measured at FVTOCI

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

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

Financial assets measured at FVTPL

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

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

Foreign exchange gains and losses

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

Derecognition

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

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

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

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

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

Impairment of financial assets

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

3.12 Financial liabilities and equity instruments

Debt and Equity Instruments:

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

Equity instruments:

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

Financial Liabilities:

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at FVTPL

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

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

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

Foreign exchange gains and losses

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

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

Derecognition of financial liabilities

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

3.13 Leases

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

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

3.14 Segment Reporting

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

3.15 Fair Value

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

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

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

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

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

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

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

3.16 Earnings Per Share

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

3.17 Significant accounting judgments, estimates and assumptions

Significant accounting judgements

The application of the Company's accounting policies in the preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

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

(a) Fair value measurement of financial instruments

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

(b) Defined benefit plans (gratuity benefits)

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

(c) Provisions and Contingent Liabilities

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

NOTES TO FINANCIAL STATEMENTS (Contd...)
4. PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lacs)

| Particulars | Tangible Assets | | | | | | | Total |
|----------------------------------|-----------------|----------------|---------------------|-----------------|------------------------|----------------|---------------------------------|-------------------|
| | Freehold Land | Buildings | Plant and Machinery | Windmills | Furniture and Fixtures | Vehicles | Office Equipments and Computers | |
| Deemed Cost | | | | | | | | |
| As at April 1, 2018 | 142.98 | 700.01 | 3,265.25 | 1,019.44 | 37.20 | 259.45 | 178.94 | 5,603.27 |
| Additions | - | 40.67 | 515.56 | - | 14.44 | 142.26 | 23.28 | 736.21 |
| Disposals | - | - | 7.27 | - | - | (214.22) | (0.34) | (207.29) |
| As at March 31, 2019 | 142.98 | 740.68 | 3,788.08 | 1,019.44 | 51.64 | 187.49 | 201.88 | 6,132.19 |
| Accumulated Depreciation | | | | | | | | |
| As at April 1, 2018 | - | (57.46) | (931.37) | (116.14) | (11.85) | (62.32) | (58.02) | (1,237.16) |
| Depreciation for the year | - | (29.25) | (522.93) | (58.07) | (6.75) | (24.07) | (44.61) | (685.68) |
| Eliminated on Disposal of Assets | - | - | (7.27) | - | - | 58.79 | 0.18 | 51.70 |
| As at March 31, 2019 | - | (86.71) | (1,461.57) | (174.21) | (18.60) | (27.60) | (102.45) | (1,871.14) |
| Net Block | | | | | | | | |
| As at March 31, 2018 | 142.98 | 642.55 | 2,333.88 | 903.30 | 25.35 | 197.13 | 120.92 | 4,366.11 |
| As at March 31, 2019 | 142.98 | 653.97 | 2,326.51 | 845.23 | 33.04 | 159.89 | 99.43 | 4,261.05 |

1. Plant and Machinery includes softwares being an integral part of plant and machinery
2. For charges created on the aforesaid assets, refer note -17.

5 CAPITAL WORK-IN PROGRESS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|-------------------------------------|---|---|
| Opening Capital work-in-progress | 28.54 | 25.87 |
| Add: Addition during the period | 575.12 | 562.17 |
| Less: Capitalised during the period | 575.73 | 559.50 |
| Closing Capital work-in-progress | 27.93 | 28.54 |

6 OTHER NON - CURRENT FINANCIAL ASSETS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|-------------------|---|---|
| Security deposits | 60.15 | 52.59 |
| VAT Receivable | 12.75 | 15.65 |
| Total | 72.90 | 68.24 |

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

7 NON - CURRENT TAX ASSETS (NET)

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---|---|---|
| Advance income tax & TDS (Net of provisions) (net of provision of Rs. 236.72 Lacs (Rs. 248.08 lacs as at 31 March, 2018)) | 159.70 | 106.63 |
| Total | 159.70 | 106.63 |

NOTES TO FINANCIAL STATEMENTS (Contd...)

8 OTHER NON - CURRENT ASSETS

(Unsecured and Considered Good)

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|--|--|--|
| Advances for property, plant and equipment | 6.62 | 5.00 |
| Prepaid expenses | 3.85 | 0.93 |
| Total | 10.47 | 5.93 |

9 INVENTORIES

(At lower of Cost or Net Realisable Value)

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|-------------------|--|--|
| Raw materials | 488.85 | 349.83 |
| Packing materials | 4.63 | 4.16 |
| Work-in-progress | 184.67 | 200.69 |
| Finished goods | 5.92 | 5.76 |
| Stores and spares | 115.32 | 104.63 |
| Total | 799.39 | 665.07 |

Inventories of Rs. 799.39 Lacs (as at 31st March 2018: Rs. 665.07 Lacs) are hypothecated against working capital facilities from banks. (Refer note - 20)

10 CURRENT INVESTMENTS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---|--|--|
| Financial assets carried at fair value through profit or loss (FVTPL) | | |
| Investments in Mutual Funds - (Quoted at market value) (refer note - 38) | | |
| ICICI - Focus Bluchip Equity Fund | 76.79 | 27.99 |
| Canara Robeco Balance - Regular Plan | 233.06 | 199.60 |
| Canara Robeco Consumer Trend Fund | 129.16 | - |
| Canara Robeco Small Cap Fund | 104.21 | - |
| ICICI - Prudential Balance Advance Fund | 192.33 | 336.08 |
| ICICI - Prudential Regular Income Fund | - | 27.04 |
| ICICI - Prudential Multi Cap Fund | 268.64 | 244.65 |
| Principal Balance Fund Growth | 654.17 | 479.62 |
| Principal Equity Saving Fund | 113.29 | - |
| ICICI - Saving Fund R.P. Growth | 202.90 | 302.81 |
| Total | 1974.55 | 1617.79 |

11 TRADE RECEIVABLES

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---|--|--|
| Secured, considered good | - | - |
| Unsecured, considered good (refer note - 20 & 38) | 1,604.60 | 1,565.96 |
| Unsecured, considered doubtful | - | - |
| | 1,604.60 | 1,565.96 |
| Less: Allowance for unsecured doubtful debts (Expected Credit Loss Allowance) | (15.81) | (11.92) |
| Total | 1,588.79 | 1,554.04 |

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

| Ageing | Expected Credit Loss % | |
|--|---|---|
| | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
| Within the credit periods | 0.26% | 0.19% |
| 46-90 days | 0.46% | 0.34% |
| 91-180 days | 0.97% | 0.72% |
| 181-270 days | 10.10% | 7.93% |
| 271-360 days | 18.48% | 16.09% |
| More than 360 days | 25.00% | 25.00% |
| Age of Receivables | | |
| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
| Within the credit periods | 927.42 | 925.11 |
| 46-90 days | 424.94 | 458.57 |
| 91-180 days | 199.99 | 132.49 |
| 181-270 days | 17.16 | 18.00 |
| 271-360 days | 15.03 | 19.79 |
| More than 360 days | 20.06 | 12.00 |
| Movement in the expected credit loss allowances : | | |
| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
| Balance at beginning of the year | 11.92 | 7.88 |
| Movement in expected credit loss allowance | 3.89 | 4.04 |
| Balance at end of the year | 15.81 | 11.92 |

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

12 CASH AND CASH EQUIVALENTS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|--|--|--|
| (A) Cash and Cash Equivalents | | |
| Cash on hand (refer note 38) | 5.20 | 3.04 |
| Cheques, drafts on hand | 16.79 | 20.77 |
| Balances with banks | | |
| In Current accounts | 18.72 | 35.37 |
| Total | 40.71 | 59.18 |
| (B) Other Balance with Bank | | |
| - Unpaid dividend accounts | 15.43 | 12.57 |
| - Balance held as margin money or security against borrowings (refer note (i) below) | 10.18 | - |
| Total | 25.61 | 12.57 |
| Total | 66.32 | 71.75 |

(i) Bank Deposit of Rs. 10.18 Lacs (as at 31st March 2018: Rs. NIL) out of other balance with bank, has been pledged with bank as a security against bank guarantee.

13 OTHER CURRENT FINANCIAL ASSETS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|-------------------|--|--|
| Security deposits | 2.95 | 6.37 |
| Total | 2.95 | 6.37 |

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

14 OTHER CURRENT ASSETS

(Unsecured, Considered good)

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|-----------------------------------|---|---|
| Advance to suppliers | 1.18 | 10.88 |
| Prepaid expenses | 17.22 | 17.62 |
| Balance with government authority | 0.58 | 0.85 |
| Interest accrued on fixed deposit | 0.12 | - |
| Others | 8.56 | 4.42 |
| Total | 27.66 | 33.77 |

15 EQUITY SHARE CAPITAL

| PARTICULARS | AS AT 31ST MARCH, 2019 | | AS AT 31ST MARCH, 2018 | |
|---|------------------------|---------------|------------------------|---------------|
| | (NUMBER) | (Rs. in Lacs) | (NUMBER) | (Rs. in Lacs) |
| Authorised Share Capital: | | | | |
| Equity Shares of Rs.10 each with voting rights | 65,00,000 | 650.00 | 65,00,000 | 650.00 |
| Issued, Subscribed and Paid-up: | | | | |
| Equity Shares of Rs. 10 each fully paid up with voting rights | 61,49,800 | 614.98 | 61,49,800 | 614.98 |
| Total | 61,49,800 | 614.98 | 61,49,800 | 614.98 |

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

| PARTICULARS | AS AT 31ST MARCH, 2019 | | AS AT 31ST MARCH, 2018 | |
|---|------------------------|---------------|------------------------|---------------|
| | (NUMBER) | (Rs. in Lacs) | (NUMBER) | (Rs. in Lacs) |
| Equity Shares with voting rights at the beginning of the year | 61,49,800 | 614.98 | 61,49,800 | 614.98 |
| Add: Issued during the year | - | - | - | - |
| Less: Bought back during the year | - | - | - | - |
| Equity Shares with voting rights at the end of the year | 61,49,800 | 614.98 | 61,49,800 | 614.98 |

(ii) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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, 2019 | | AS AT 31ST MARCH, 2018 | |
|---------------------------|------------------------|--------------|------------------------|--------------|
| | NO. OF SHARE HELD | % OF HOLDING | NO. OF SHARE HELD | % OF HOLDING |
| Vithaldas H. Patel | 7,65,756 | 12.45% | 7,89,902 | 12.84% |
| Hiraben V. Patel | - | 0.00% | 9,80,538 | 15.94% |
| Dashrath Vithaldas Patel | 3,33,222 | 5.42% | - | - |
| Sumanbhai Vithaldas Patel | 3,33,222 | 5.42% | - | - |
| Vishnu Vithaldas Patel | 3,33,222 | 5.42% | - | - |
| Roshan Harshvardhan Shah | 3,13,404 | 5.10% | 3,13,404 | 5.10% |
| Gajanan Vamanrao Bhavsar | 3,09,410 | 5.03% | 3,09,410 | 5.03% |

NOTES TO FINANCIAL STATEMENTS (Contd...)
16 OTHER EQUITY

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---|---|---|
| Capital Reserve | 15.00 | 15.00 |
| General Reserve | 1,359.76 | 1,334.76 |
| Retained Earning | 4,439.76 | 4,003.30 |
| Total | 5,814.52 | 5,353.06 |
| Capital Reserves (refer below note -1) | | |
| Balance at beginning of year | 15.00 | 15.00 |
| Add : Addition during the year | - | - |
| Balance at end of year | 15.00 | 15.00 |
| General Reserve (refer below note -2) | | |
| Balance at beginning of year | 1,334.76 | 1,309.76 |
| Add : Transfer from the surplus in Statement of Profit & Loss | 25.00 | 25.00 |
| Balance at end of year | 1,359.76 | 1,334.76 |
| Retained Earning (refer below note -3) | | |
| Balance at beginning of year | 4,003.30 | 3,439.27 |
| Profit for the year | 771.42 | 703.26 |
| Other comprehensive income | (13.40) | (3.20) |
| Less: Appropriations: | | |
| Payment of Dividend on Equity Shares | 246.00 | 92.25 |
| Tax on Dividend Paid | 50.56 | 18.78 |
| Transfer to General Reserve | 25.00 | 25.00 |
| Balance at end of year | 4,439.76 | 4,003.30 |
| Total | 5,814.52 | 5,353.06 |

Note -

- The above capital reserve pertains to Capital subsidy received of Rs. 15.00 lacs from Government of Gujarat in 1993 towards incentive for setting up plant in backward area and such subsidy can be use for purchase of capital assets..
- The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss..
- Retained Earning represent the amount that can be distributed by the Company as dividend, bonus etc. considering the requirements of the Companies Act, 2013. On 19th July, 2018, a dividend of Rs. 1.50 per share (total dividend of Rs. 92.25 Lacs) was paid to the holders of fully paid equity shares. And Company also paid intrim dividend of Rs. 153.75 Lacs @ 2.50 per share on 26th November 2018 and same has been paid. In respect of year ended March 31, 2019, the directors propose that dividend of Rs. 1.50 per share be paid on fully paid equity shares. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liabilities in the financial statements. The total estimated equity dividend to be paid is Rs. 92.25 Lacs.

17 NON - CURRENT BORROWINGS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|--|---|---|
| Secured term loans from Bank (refer note ii below) and (refer note - 38) | 565.97 | 446.02 |
| Secured vehicles loans from Bank (refer note iii below) | 85.91 | - |
| Total | 651.88 | 446.02 |

NOTES TO FINANCIAL STATEMENTS (Contd...)

Secured

- (i) Hire purchase finance from the Daimler Financial Services India Private Limited for 5 Motor Cars amounting to Rs. NIL (as at 31st March 2018: Rs. 106.41 Lacs), out of which Rs. NIL (as at 31st March 2018: Rs. 106.41 Lacs) classified as current maturity of long term debt, are secured by hypothecation of the Cars. (Refer note - 4)
- (ii) Loan from The HDFC Bank Limited amounting to Rs. 745.66 Lacs (as at 31st March 2018: Rs. 543.01 Lacs), out of which Rs. 179.69 Lacs (as at 31st March 2018: Rs. 102.41 Lacs) is classified as current maturity of long term. The loan is secured by exclusive charge over Immovable and Movable assets of the Company. Further, the loan was guaranteed by the personal guarantee of Mr. Amber Patel. (Refer note - 4)
- (iii) Loan from The HDFC Bank Limited amounting to Rs. 127.17 Lacs (as at 31st March 2018: Rs. NIL), out of which Rs. 41.26 Lacs (as at 31st March 2018: Rs. NIL) is classified as current maturity of long term debt, are secured by hypothecation of the Cars. (Refer note - 4)
- (iv) The terms of repayment of term loans and other loans are stated below.

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|--|--|--|
| Vehicle term loans for 5 motor cars are secured by hypothecation of the said vehicles and carries interest 11.30% p.a. The loan is repayable in 36 monthly installment starting from 7th October 2015. | - | 106.41 |
| Vehicle term loans for 5 motor cars are secured by hypothecation of the said vehicles and carries interest 8.9% p.a. The loan is repayable in 37 monthly installment starting from 5th January 2019. | 108.73 | - |
| Vehicle term loans for 1 motor car are secured by hypothecation of the said vehicle and carries interest 9.25% p.a. The loan is repayable in 37 monthly installment starting from 5th January 2019. | 18.44 | - |
| Term loan is secured by first and exclusive charge on existing & future movable & immovable fixed assets of the Company and carries interest 8.90% p.a. The loan is repayable in 60 monthly installment starting from 7th November 2017. | 179.69 | 543.01 |

18 NON - CURRENT PROVISIONS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|--|--|--|
| Provision for employee benefits | | |
| Provision for gratuity (refer note - 34) | 39.50 | 103.86 |
| Provision for compensated absences | 13.94 | 13.17 |
| Total | 53.44 | 117.03 |

19 DEFERRED TAX LIABILITIES (NET)

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---|--|--|
| Deferred Tax Liabilities | | |
| Difference between provision of expenses allowed for tax purpose on payment basis | (11.56) | 4.20 |
| Difference between book and tax depreciation | 322.38 | 360.58 |
| | 310.82 | 364.78 |
| Deferred Tax Asset | | |
| Disallowance under the Income Tax Act, 1961 | (4.40) | (3.32) |
| Unabsorbed losses | (21.83) | - |
| Remeasurement benefit of the defined benefits plans through OCI | (11.25) | (6.09) |
| | (37.48) | (9.41) |
| Net deferred tax liabilities | 273.34 | 355.37 |

NOTES TO FINANCIAL STATEMENTS (Contd...)

The major components of deferred tax (liabilities) / assets arising on account of temporary differences are as follows:

| PARTICULARS | OPENING BALANCE AS AT 1ST APRIL, 2018 (Rs. in Lacs) | RECOGNISED IN PROFIT AND LOSS (Rs. in Lacs) | RECOGNISED IN OCI (Rs. in Lacs) | CLOSING BALANCE AS AT 31ST MARCH, 2019 (Rs. in Lacs) |
|--|---|--|---------------------------------------|---|
| Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961. | 360.58 | (38.20) | - | 322.38 |
| Provision of expenses allowed for tax purpose on payment basis | 4.20 | (15.76) | - | (11.56) |
| Allowances for doubtful debts and advances | (3.32) | (1.08) | - | (4.40) |
| Unabsorbed losses | - | (21.83) | - | (21.83) |
| Remeasurement benefit of the defined benefits plans through OCI | (6.09) | - | (5.16) | (11.25) |
| Net Deferred tax liabilities | 355.37 | | | 273.34 |

20 CURRENT BORROWINGS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---|--|--|
| Secured Loans repayable on demand | | |
| Cash Credit from Banks (refer below note) | 427.86 | 404.95 |
| Total | 427.86 | 404.95 |

Note: Working capital loan from bank of Rs. 427.86 Lacs (as at 31st March 2018: Rs. 404.95 Lacs) is secured by present and future trade receivable, inventories of the Company and personal guarantee of Mr. Amber Patel. (Refer note no. 9 & 11).

21 TRADE PAYABLES

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---|--|--|
| Total outstanding due of creditors of Micro, small and medium enterprises (refer note - 42) | 71.23 | 87.46 |
| Total outstanding due of creditors other than Micro, small and medium enterprises (refer note-42) | 674.26 | 710.03 |
| Total | 745.49 | 797.49 |
| The fair value of trade payable is not materiality different from carrying value presented. | | |

22 OTHER FINANCIAL LIABILITIES

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---|--|--|
| Current maturities of secured long-term debt (refer note - 17) | 220.95 | 208.82 |
| Interest accrued but not due | 9.87 | 3.88 |
| Unpaid dividends | 15.43 | 12.57 |
| Statutory liabilities | 69.75 | 71.87 |
| Payable on purchase of property, plant and equipment | 35.00 | 55.47 |
| Total | 351.00 | 352.61 |
| The fair value of other financial liabilities is not materiality different from carrying value presented. | | |

NOTES TO FINANCIAL STATEMENTS (Contd...)
23 CURRENT PROVISIONS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|--|--|--|
| Provision for compensated absences | 10.03 | 14.73 |
| Provision for gratuity (refer note - 34) | 18.53 | 21.89 |
| Total | 28.56 | 36.62 |

24 OTHER CURRENT LIABILITIES

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|-------------------------|--|--|
| Advances from customers | 30.64 | 46.11 |
| Total | 30.64 | 46.11 |

25 REVENUE FROM OPERATIONS

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|--|--|--|
| Sale of products - (including excise duty of Rs. NIL upto March 31, 2019, for the year ended March 31, 2018: Rs. 140.78 Lacs) (Refer note below) | 4,854.64 | 4602.32 |
| Sale of services | 2,437.03 | 2203.10 |
| Other operating revenue | | |
| - Scrap Sales | 112.88 | 94.60 |
| - Export Incentives | 8.61 | 4.05 |
| Total | 7,413.16 | 6,904.07 |
| Sales of products and services comprises of: | | |
| Manufactured goods | | |
| - Engraved Copper Rollers | 4,425.85 | 4049.76 |
| - Printing Plates | 427.08 | 397.17 |
| - Others | 1.71 | 14.61 |
| | 4,854.64 | 4461.54 |
| Sale of services | | |
| - Job work sales | 2,437.03 | 2203.10 |
| | 2,437.03 | 2203.10 |

Note : According to the requirements of Ind AS, revenue for the corresponding previous year ended 31st March 2018 were reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from 1st July 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 18 "Revenue" from 1st July 2017 onward, is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative revenue of the Company would be as follows:

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|---------------------------------------|--|--|
| Revenue from operations | | |
| Sale of products (Net of Excise Duty) | 7,413.16 | 6,763.29 |

NOTES TO FINANCIAL STATEMENTS (Contd...)
26 OTHER INCOME

| PARTICULARS | AS AT 31ST MARCH, 2019 (Rs. in Lacs) | AS AT 31ST MARCH, 2018 (Rs. in Lacs) |
|--|--|--|
| Interest income from banks | 0.13 | 0.33 |
| Interest income on deposit | 2.92 | 3.34 |
| Dividend income from current investments | - | 0.21 |
| Recovery of bad debts written off in earlier years | 0.74 | 0.60 |
| Liabilities / Provisions no longer required written back | - | 10.04 |
| Net gain on sale of current investments | 109.73 | 24.43 |
| Gain on disposal of Property, Plant and Equipments (net) | - | 2.83 |
| Net gain arising on Investments measured at FVTPL | 23.62 | 97.93 |
| Maturity proceeds of Keyman insurance policy | 78.44 | - |
| Miscellaneous income | 0.32 | 0.18 |
| Total | 215.90 | 139.89 |

27 COST OF RAW MATERIAL CONSUMED

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|---|---|---|
| Opening stock | 349.83 | 260.71 |
| Add : Purchases during the year | 2,149.97 | 2002.20 |
| | 2,499.80 | 2262.91 |
| Less : Closing Stock | 488.85 | 349.83 |
| Cost of raw materials consumed | 2,010.95 | 1913.08 |
| Raw materials consumed comprises of: | | |
| M.S. rollers | 44.01 | 76.62 |
| M.S. pipe, plates and bars | 910.02 | 887.21 |
| Copper | 699.15 | 652.58 |
| Others | 357.77 | 296.67 |
| | 2,010.95 | 1,913.08 |

28 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|---|---|---|
| INVENTORIES AT THE BEGINNING OF THE YEAR | | |
| Finished goods of engraved rollers | 5.76 | 4.63 |
| Work-in-progress of engraved rollers | 200.69 | 152.91 |
| | 206.45 | 157.54 |
| INVENTORIES AT THE END OF THE YEAR | | |
| Finished goods of engraved rollers | 5.92 | 5.76 |
| Work-in-progress of engraved rollers | 184.67 | 200.69 |
| | 190.59 | 206.45 |
| CHANGE IN INVENTORIES | 15.86 | (48.91) |

29 EMPLOYEE BENEFITS EXPENSES

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|---|---|---|
| Salaries, wages and bonus | 2,036.41 | 1,759.70 |
| Contributions to provident and other funds (refer note - 34(2)) | 74.06 | 69.40 |
| Contributions to gratuity fund (refer note - 34(1)) | 30.33 | 27.12 |
| Staff welfare expenses | 189.10 | 106.47 |
| Total | 2,329.90 | 1,962.69 |

NOTES TO FINANCIAL STATEMENTS (Contd..)
30 FINANCE COSTS

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|-----------------------------|--|--|
| Interest expense net | | |
| On term loans | 48.25 | 22.22 |
| On working capital loans | 58.38 | 56.94 |
| On vehicles loans | 8.44 | 13.75 |
| | 115.07 | 92.91 |
| Other borrowing costs | 5.34 | 6.15 |
| Total | 120.41 | 99.06 |

31 OTHER EXPENSES

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|--|--|--|
| Consumption of stores and spare parts | 486.82 | 427.63 |
| Consumption of packing materials | 110.37 | 98.96 |
| Power & fuel (net of energy income Rs. 257.23 Lacs(P.Y. Rs. 222.13 Lacs) from windmills) | 222.68 | 197.11 |
| Rent Expenses (refer note - 35) | 9.76 | 10.31 |
| Repairs and maintenance | | |
| Plant & machinery | 58.94 | 40.29 |
| Building | 27.87 | 42.35 |
| Others | 44.45 | 48.89 |
| Factory expenses | 48.68 | 47.37 |
| Insurance premium | 20.70 | 37.42 |
| Rates & Taxes | 0.46 | 0.46 |
| Conveyance and travelling | 84.21 | 78.27 |
| Communication expenses | 22.73 | 20.90 |
| Printing and stationary | 17.08 | 13.81 |
| Freight and forwarding | 106.17 | 101.97 |
| Sales commision | 50.39 | 54.57 |
| Advertisement and business promotion | 16.36 | 25.32 |
| Selling expenses | 37.93 | 31.92 |
| Expenditure on corporate social responsibility (refer note - 46) | 18.00 | 21.11 |
| Donation | 16.05 | 0.31 |
| Legal consultancy and professional charges | 86.03 | 112.05 |
| Auditors' remuneration | 9.50 | 12.55 |
| Computer expenses | 13.89 | 11.50 |
| Bad debts written off | 2.84 | - |
| Excise Duty | - | 140.78 |
| Loss on disposal of Property, Plant and Equipments (net) | 34.53 | - |
| Provision For Expected Credit Loss | 3.89 | 4.04 |
| Loss on foreign exchange rate fluctuation | 1.32 | 4.76 |
| Miscellaneous expenses | 7.12 | 24.54 |
| Total | 1,558.77 | 1,609.18 |
| Note -(i) Auditors' Remuneration comprises of: | | |
| As Auditor: | | |
| Statutory audit fees | 7.50 | 11.50 |
| Tax audit fees | 2.00 | 0.75 |
| In other Capacity: | | |
| Certification fees | - | 0.25 |
| Reimbursement of expenses | - | 0.05 |
| Total | 9.50 | 12.55 |

NOTES TO FINANCIAL STATEMENTS (Contd...)

32 INCOME TAX EXPENSES

| PARTICULARS | YEAR ENDED | |
|--|-----------------------------------|-----------------------------------|
| | 31st MARCH, 2019 (Rs. in Lacs) | 31st MARCH, 2018 (Rs. in Lacs) |
| A. The major components of income tax expense for the year are as under : | | |
| (i) Income tax recognized in the Statement of Profit and Loss: | | |
| Current Tax : | | |
| In respect of current year | 236.72 | 248.08 |
| Adjustments in respect of previous year | (23.78) | (1.17) |
| Deferred Tax : | | |
| In respect of current year | (76.87) | (99.88) |
| Income Tax expense recognized in the Statement of Profit and Loss | 136.07 | 147.03 |
| (ii) Income Tax expense recognized in OCI | | |
| Deferred Tax : | | |
| Income Tax Expenses on Remeasurement of defined benefits plan | 5.16 | 1.23 |
| B. Reconciliation of tax expense and the accounting profit for the year is as under : | | |
| Profit before tax | 907.49 | 850.29 |
| Income tax expense | 252.46 | 281.13 |
| Tax effect on non-deductible expenses | 22.98 | 3.25 |
| Effect of Income that is exempted from tax | (66.34) | (69.85) |
| Effect of Deferred tax liabilities due to change in income tax rate | (49.25) | (66.33) |
| Adjustment in respect of current income tax of previous year | (23.78) | (1.17) |
| Effective Tax Rate at 14.99% (P.Y. 17.29%) | 136.07 | 147.03 |

33 EARNING PER SHARE (EPS)

| PARTICULARS | YEAR ENDED | |
|---|-----------------------------------|-----------------------------------|
| | 31st MARCH, 2019 (Rs. in Lacs) | 31st MARCH, 2018 (Rs. in Lacs) |
| Basic and Diluted | | |
| Profit attributable to equity share holders (Rs. in Lacs) | 771.42 | 703.26 |
| Nominal Value of equity share (Rs./Share) | 10 | 10 |
| Weighted average number of ordinary equity share for Basic EPS (Nos.) | 61,49,800 | 61,49,800 |
| Basic and Diluted EPS (Rs./Share) | 12.54 | 11.44 |

34 EMPLOYEE BENEFITS

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

1. Defined Benefit Plans

I. Expenses recognized in the Statement of Profit and Loss and Other Comprehensive Income for the year:

| PARTICULARS | Gratuity | |
|--|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Current service cost | 21.89 | 19.82 |
| Interest Cost | 8.44 | 7.30 |
| Amount recognised in profit and loss accounts (Refer note - 29) | 30.33 | 27.12 |
| Acturial (gain)/loss | | |
| a) arising from changes in financial assumption | - | (5.18) |
| b) arising from experience adjustments | 21.31 | 13.53 |
| Return on Plan assets excluded amount included in interest income | (2.75) | (3.92) |
| Amount recognised in other comprehensive income | 18.56 | 4.43 |
| Total | 48.89 | 31.55 |

NOTES TO FINANCIAL STATEMENTS (Contd...)

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

| PARTICULARS | Gratuity | |
|--|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Defined benefit obligation at beginning of the year | 306.83 | 267.00 |
| Current service cost | 21.89 | 19.82 |
| Interest cost | 18.44 | 15.33 |
| Actuarial losses (gains) | 21.31 | 8.35 |
| Benefits paid | (122.19) | (3.67) |
| Defined benefit obligation at the end of the year | 246.28 | 306.83 |

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

| PARTICULARS | Gratuity | |
|---|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Fair value of plan assets at beginning of the year | 181.08 | 152.81 |
| Transfer in/(out) plan assets | - | - |
| Expected return on plan assets | 10.00 | 8.02 |
| Return on Plan assets excluded amount included in interest income | 2.75 | 3.92 |
| Contributions by employer | 25.00 | 20.00 |
| Benefits paid | (30.58) | (3.67) |
| Fair value of plan assets at year end | 188.25 | 181.08 |

IV. Investment details:

| PARTICULARS | %invested as at YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | %invested as at YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|---|--|--|
| Investment with insurer (Investment in Policy of LIC) | 100% | 100% |

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

| PARTICULARS | GRATUITY | |
|--|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Mortality Table (LIC) | 2006-08 (Ultimate) | 2006-08 (Ultimate) |
| Discount Rate (per annum) | 7.35% | 7.35% |
| Rate of escalation in salary (per annum) | 6.00% | 6.00% |

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

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

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

NOTES TO FINANCIAL STATEMENTS (Contd...)
VI. Sensitivity Analysis

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

| PARTICULARS | Gratuity | |
|--|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Impact in present value of defined benefit obligation: | | |
| If discount rate is increased by 0.5% | (8.01) | (7.02) |
| If discount rate is decreased by 0.5% | 8.53 | 7.47 |
| If salary escalation rate is increased by 0.5% | 8.58 | 7.53 |
| If salary escalation rate is decreased by 0.5% | (8.13) | (7.14) |
| If withdrawal rate is increased by 10% | 0.97 | 0.55 |
| If withdrawal rate is decreased by 10% | (0.99) | (0.59) |

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

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

VII. Asset Liability Matching Strategies

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

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

(i) Funding arrangements and Funding Policy

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

(ii) Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is Rs. 18.53 Lacs.

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

| PARTICULARS | Gratuity | |
|--------------------------------------|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Expected outflow in 1st Year | 23.47 | 111.89 |
| Expected outflow in 2nd Year | 15.10 | 20.07 |
| Expected outflow in 3rd Year | 85.37 | 68.95 |
| Expected outflow in 4th Year | 13.75 | 13.64 |
| Expected outflow in 5th Year | 14.78 | 10.67 |
| Expected outflow in 6th to 10th Year | 86.59 | 78.40 |

NOTES TO FINANCIAL STATEMENTS (Contd...)

2. Defined Contribution Plans.

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

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|--|---|---|
| Employer's Contribution to Provident Fund | 67.60 | 63.55 |
| Employers' Contribution to Superannuation Fund | 3.51 | 5.85 |
| Total | 71.11 | 69.40 |

35 OPERATING LEASES ARRANGEMENTS

The Company has taken immovable properties on non-cancellable operating lease and lease rent amounting to Rs. 9.76 Lacs (P.Y. Rs. 10.31 Lacs) has been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|-----------------------|---|---|
| Not later than 1 year | 4.65 | 5.23 |

36 CAPITAL AND OTHER COMMITMENTS

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital accounts not provided for | 5.31 | 25.25 |

37 CONTINGENT LIABILITIES

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|--|---|---|
| Disputed demand of income tax against which the Company has preferred appeal Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities | 38.04 | 73.12 |

38 FINANCIAL INSTRUMENTS

(i) Capital management

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

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

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

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|--|---|---|
| Non-current borrowings (refer note 17) | 651.88 | 446.02 |
| Current maturities of non-current borrowings (refer note 22) | 220.95 | 208.82 |
| Current borrowings (refer note 20) | 427.86 | 404.95 |
| Interest accrued but not due on borrowings (refer note 22) | 9.87 | 3.88 |
| Total Debt | 1,310.56 | 1,063.67 |
| Less : Cash and bank balances (refer note 12) | 50.89 | 59.18 |
| Net Debt | 1,259.67 | 1,004.49 |
| Equity (refer note 15 and 16) | 6,429.50 | 5,968.04 |
| Net debt to equity ratio | 19.59% | 16.83% |

NOTES TO FINANCIAL STATEMENTS (Contd...)

(ii) Categories of Financial Instruments

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|---|---|---|
| (A) Financial assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| Mandatorily measured as at FVTPL | | |
| (a) Investments in mutual funds | 1,974.55 | 1,617.79 |
| Measured at amortised cost | | |
| (a) Cash and bank balances | 66.32 | 71.75 |
| (b) Trade receivables | 1,588.79 | 1,554.04 |
| (c) Other non - current financial assets | 72.90 | 68.24 |
| (d) Other current financial assets | 2.95 | 6.37 |
| (B) Financial liabilities | | |
| Measured at fair value through profit or loss (FVTPL) | - | - |
| Measured at amortised cost | | |
| (a) Non – current Borrowings | 651.88 | 446.02 |
| (b) Current Borrowings | 427.86 | 404.95 |
| (c) Trade Payables | 745.49 | 797.49 |
| (d) Other Financial liabilities | 351.00 | 352.61 |
| Measured at fair value through other comprehensive income (FCTOCI) | - | - |
| The Carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets. | | |

(iii) Financial risk management objective

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

(iv) Market Risk

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

a) Interest Rate Risk

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

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

In case of fluctuation in interest rates by 50 basis points on the exposure of Rs. 750.10 Lacs as on 31st March, 2019 and Rs. 551.14 as on 31st March, 2018 and all other variables were held constant, the Company's profit for the year would increase or decrease as follows.

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|---------------------------------------|---|---|
| Impact on Profit or Loss for the year | 0.90 | 2.76 |

NOTES TO FINANCIAL STATEMENTS (Contd...)

b) Foreign Currency Risk

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

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

| PARTICULARS | YEAR ENDED | YEAR ENDED |
|--------------------|-----------------------------------|-----------------------------------|
| | 31st MARCH, 2019 (Rs. in Lacs) | 31st MARCH, 2018 (Rs. in Lacs) |
| Liabilities | | |
| USD | 30.97 | 32.78 |
| EURO | 0.81 | 19.39 |
| CHF | - | 6.54 |
| Assets | | |
| USD | 57.9 | 27.32 |
| EURO | 9.8 | 7.93 |
| CHF | 0.21 | 0.21 |
| Others | 0.76 | 0.36 |

Foreign Currency sensitivity analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar, CHF and Euro. The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes receivables and payable in currency other than the functional currency of the Company.

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

Analysis of 10% strengthening of the INR

| PARTICULARS | USD Impact (net of tax) | |
|---------------------------------------|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Impact on profit or loss for the year | 1.94 | (0.37) |

| PARTICULARS | EURO Impact (net of tax) | |
|---------------------------------------|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Impact on profit or loss for the year | 0.65 | (0.77) |

| PARTICULARS | CHF Impact (net of tax) | |
|---------------------------------------|---|---|
| | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
| Impact on profit or loss for the year | 0.02 | (0.42) |

c) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The Company does not have investment in equity instruments as on 31st March 2019. The Company is exposed to price risk arising mainly from investment in equity and liquid based mutual fund. The carrying value of such mutual funds recognised at FVTPL amount to Rs. 1974.55 Lacs as at 31st March, 2019 (Rs. 1617.79 Lacs as at 31st March, 2018). The details of such instruments are given in Note 11.

If the NAV has been higher/lower by 10% from the market NAV existing as at 31st March, 2019, the income from other source for the year ended 31st March 2019 would increase/decrease by Rs. 197.45 Lacs (for 2017-18 Rs. 161.77 Lacs) with a corresponding increase/decrease in total equity of the Company as at 31st March, 2019. 10% represents management's assessment of reasonably possible changes in NAV of mutual funds.

NOTES TO FINANCIAL STATEMENTS (Contd...)

V Credit Risk

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

(a) Trade receivables management

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

(b) Other financial assets

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

VI Liquidity Risk

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

| Particulars | Less than 1 year | Between 1 to 5 years | Over 5 years | Total |
|---|---------------------|-------------------------|--------------|----------|
| As at 31st March 2019 | | | | |
| Borrowings (Refer Note 17 and 20) | 648.81 | 651.88 | - | 1,300.69 |
| Trade Payables (Refer Note 21) | 745.49 | - | - | 745.49 |
| Other Financial Liabilities (Refer Note 22) | 351.00 | - | - | 351.00 |
| As at 31st March 2018 | | | | |
| Borrowings (Refer Note 17 and 20) | 613.77 | 446.02 | - | 1,059.79 |
| Trade Payables (Refer Note 21) | 797.49 | - | - | 797.49 |
| Other Financial Liabilities (Refer Note 22) | 352.61 | - | - | 352.61 |

39 RELATED PARTY DISCLOSURES

a) Related parties and their relationship

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

b) Details of related party transactions during the year ended March 31, 2019 and balances outstanding as at March 31, 2019

(i) Compensation of key management personnel of the Company:

| Name of the related party | Amount (Rs. in Lacs) | Outstanding balance as at 31st March, 2019 (Rs. in Lacs) |
|--|----------------------------|---|
| Short-term employee benefits | 642.30 (404.85) | 38.27 (65.38) |
| Post-employment benefits | - | - |
| Termination benefits | - | - |
| Share-based payments | - | - |
| Total compensation paid to key management personnel | 607.89 (404.85) | 38.27 (65.38) |

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

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

| Name of the related party | Nature of transactions | Amount (Rs. in Lacs) | Outstanding balance as at 31st March, 2019 (Rs. in Lacs) |
|------------------------------|------------------------|-------------------------|---|
| Mr. Ambar J. Patel | Dividend Paid | 9.76 (3.66) | - - |
| Mr. Roshan Shah | Dividend Paid | 12.54 (4.70) | - - |
| Mr. G.V. Bhavsar | Dividend Paid | 12.38 (4.64) | - - |
| Mr. Narendra Patil | Dividend Paid | 7.30 (2.74) | - - |
| Mr. Atul Vinchi | Dividend Paid | 11.61 (4.34) | - - |
| Mr. Nipam Rameshchandra Shah | Sitting Fee | 1.55 (1.15) | - - |
| Mrs. Monica Hemal Kanuga | Sitting Fee | 0.95 (0.95) | - - |

Figures in bracket represents previous year data.

40 SEGMENT REPORTING

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

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

NOTES TO FINANCIAL STATEMENTS (Contd..)

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

Summary of Segmental Informations as at end of the year 31st March, 2019 as follows:

| Particulars | Engraved Copper Roller (Rs. in lacs) | Wind Mill (Rs. in lacs) | Flexo (Rs. in lacs) | Total (Rs. in lacs) |
|---|---|----------------------------|---------------------------|-------------------------------|
| External Sales | 6,977.47 (6,490.97) | 257.23 (222.13) | 435.69 (413.10) | 7,670.39 (7,126.20) |
| Revenue | 6,977.47 (6,490.97) | 257.23 (222.13) | 435.69 (413.10) | 7,670.39 (7,126.20) |
| Less: Inter segment Revenue | | 257.23 (222.13) | | 257.23 (222.13) |
| Total Revenue | 6,977.47 (6,490.97) | - - | 435.69 (413.10) | 7,413.16 (6,904.07) |
| Segment results | 662.09 (604.92) | 132.54 (108.35) | 17.37 (95.98) | 812.00 (809.25) |
| Finance Cost | 120.41 (99.06) | | - - | 120.41 (99.06) |
| Operating income | | | | 691.59 (710.19) |
| Other income (net) | | | | 215.90 (139.89) |
| Profit before taxes | | | | 907.49 (850.29) |
| Tax expense | | | | 136.07 (147.03) |
| Profit for the year | | | | 771.42 (703.26) |
| Other Comprehensive Income | | | | 13.40 (3.20) |
| Total Comprehensive Income for the year | | | | 758.02 (700.06) |
| Other information | | | | |
| Depreciation and amortisation (allocable) | 563.48 (557.40) | 58.07 (58.07) | 64.13 (43.10) | 685.68 (658.57) |

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|--|---|---|
| Segment Assets and Liabilities: | | |
| Segment Assets: | | |
| a) Gravure Rollers | 4,427.03 | 4,347.19 |
| b) Wind Energy | 863.97 | 918.77 |
| c) Flexo | 470.40 | 511.87 |
| Total Segment Assets | 5,761.40 | 5,777.83 |
| d) Unallocated | 3,230.31 | 2,746.41 |
| Total Assets | 8,991.71 | 8,524.24 |
| Segment Liabilities: | | |
| a) Gravure Rollers | 1,854.83 | 1,995.33 |
| b) Wind Energy | 15.80 | 5.28 |
| c) Flexo | 115.29 | 171.04 |
| Total Segment Liabilities | 1,985.92 | 2,171.65 |
| d) Unallocated | 576.29 | 384.55 |
| Total Liabilities | 2,562.21 | 2,556.20 |

Information about major customers

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

41 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

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

| Particulars | | Foreign Currency | Indian Currency Equivalent (Rs. in Lacs) |
|--|-------------------------------|---------------------|---|
| Amounts receivable in foreign currency | AS AT 31ST MARCH, 2019 | USD 80353.00 | 55.57 |
| | | EURO 8900.48 | 6.91 |
| | AS AT 31ST MARCH, 2018 | USD 41435.10 | 27.01 |
| | | EURO 5393.00 | 4.36 |
| Amounts payable in foreign currency | AS AT 31ST MARCH, 2019 | USD 44790.00 | 30.97 |
| | | EURO 1040.00 | 0.81 |
| | AS AT 31ST MARCH, 2018 | USD 50296.97 | 32.78 |
| | | EURO 24000.00 | 19.39 |
| | | CHF 9552.15 | 6.54 |

42 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:-

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|--|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 71.23 | 87.46 |
| Interest due thereon outstanding to any supplier | - | - |
| Interest paid by the Company | - | - |
| Interest due and payable for the period of delay in making Payment | 0.11 | - |
| Interest accrued and remaining unpaid | 0.11 | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of allowance as a deductible expenditure under section 23 of MSMEDA | - | - |

The above information is ascertained by the management of the company which has been relied upon by the auditors.

43 EXPENDITURE IN FOREIGN CURRENCY

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|------------------------------------|---|---|
| Traveling expenses | 12.84 | 8.22 |
| Advertisement & business promotion | 5.35 | 1.65 |
| Repairs and maintenance | 8.15 | 0.72 |
| Total | 26.34 | 10.59 |

44 EARNINGS IN FOREIGN CURRENCY

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 (Rs. in Lacs) | YEAR ENDED 31st MARCH, 2018 (Rs. in Lacs) |
|----------------------|---|---|
| F.O.B. Value – Sales | 271.60 | 149.24 |

NOTES TO FINANCIAL STATEMENTS (Contd...)
4.5 REMITTANCE ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS
(i) Remitted in Foreign Currency

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 | | YEAR ENDED 31st MARCH, 2018 |
|---|--------------------------------|------------------------------|--------------------------------|
| | Interim Dividend | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
| Year to which Dividend relates | | | |
| Amount of Dividend remitted (Rs. In Lacs) | 4.28 | 2.72 | 3.62 |
| Number of Non-Resident Shareholders to whom remittance was made | 14 | 18 | 23 |
| Number of Shares held on which Dividend was due and remitted | 1,71,200 | 1,81,200 | 2,41,400 |
| Face Value of each share(Rs.10 each) | 10 | 10 | 10 |

(ii) Remitted to their Banks in India

| PARTICULARS | YEAR ENDED 31st MARCH, 2019 | | YEAR ENDED 31st MARCH, 2018 |
|---|--------------------------------|------------------------------|--------------------------------|
| | Interim Dividend | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
| Year to which Dividend relates | | | |
| Amount of Dividend remitted (Rs. In Lacs) | 2.69 | 1.54 | 0.38 |
| Number of Non-Resident Shareholders to whom remittance was made | 56 | 59 | 43 |
| Number of Shares held on which Dividend was due and remitted | 1,07,729 | 1,02,440 | 25,521 |
| Face Value of each share(Rs.10 each) | 10 | 10 | 10 |

4.6 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

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

For FY 2018-19

| Sector Activity Identified | CSR Project | Implementing Agency and Location | Rs. in Lacs (Paid in cash) | Yet to be paid | Total |
|-----------------------------|---|---|----------------------------|----------------|--------------|
| Hospital / Rural Healthcare | Contribution for Medical Relief Project | Dardionu Rahat Fund, Ahmedabad, Gujarat | 3.00 | - | 3.00 |
| Hospital / Rural Healthcare | Contribution for Medical Relief Project | Indian Renal Foundation | 1.00 | - | 1.00 |
| Skill Development | Contribution for Skill Development | Vishwa Umiya Foundtion | 10.00 | - | 10.00 |
| Skill Development | Contribution for Skill Development | Ambaben Maganbhai Patel Public Charitable Trust | 1.00 | - | 1.00 |
| Skill Development | Contribution for Skill Development | Shree Fateh Kelvani Trust | 1.00 | - | 1.00 |
| Hospital / Rural Healthcare | Contribution for Medical Relief Project | Gujarat Chamber of Commerce & Indutry Silver Jubilee Charitable Trust | 2.00 | - | 2.00 |
| Total | | | 18.00 | - | 18.00 |

NOTES TO FINANCIAL STATEMENTS (Contd...)

47 FAIR VALUE MEASUREMENTS

| Financial assets | Fair Value hierarchy | | | |
|---|-----------------------------|--|--|--|
| | Fair Value (Rs. in Lacs) | Quoted prices in active markets (Level I) (Rs. in Lacs) | Significant observable inputs (Level 2) (Rs. in Lacs) | Significant unobservable inputs (Level 3) (Rs. in Lacs) |
| As at 31st March, 2019 | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Investments in quoted mutual funds (Refer Note 10) | 1974.55 | 1974.55 | - | - |
| As at 31st March, 2018 | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Investments in quoted mutual funds (Refer Note 10) | 1617.79 | 1617.79 | - | - |

48 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on April 27, 2019.

49 Previous year figures have been regrouped and reclassified wherever necessary to make it comparable to current year's figures.

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

Ambar J. Patel

Managing Director (DIN No. - 00050042)

Shailesh C Desai

Director (DIN No. - 00169595)

Amit Agrawal

Chief Financial Officer

Roshan Shah

Chief Executive Officer

Bharat Patel

Company Secretary

Place : Rakanpur

Date : 27th April, 2019

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**SHILP GRAVURES LIMITED**

(CIN: L27100GJ1993PLC020552)

ATTENDANCE SLIP

Registered Office: 778/6, Pramukh Industrial Estate, Village: Rakanpur, Taluka: Kalol, Dist. Gandhinagar – 382 722, Gujarat, India
Email: admin@shilpgravures.com, Website: www.shilpgravures.com
Phone: 02764 – 286323/24, Fax: 02764 – 286335

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL*(Joint shareholders may obtain additional slip at the venue of the meeting)*

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

Name of the Shareholder(s) / Proxy # : _____

Address of the Shareholder(s) / Proxy # : _____

I hereby record my presence at the 26th Annual General Meeting of the Company held on Monday, 26th August, 2019, at 04:00 p.m. at the registered office of the Company.

Signature of Shareholder/ proxy#**Notes:**

1. Shareholders are requested to bring their copies of Annual Report at the AGM.
2. * Applicable for investors holding shares in electronic form.
3. # Please strike off, whichever is not applicable.

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**SHILP GRAVURES LIMITED**

(CIN: L27100GJ1993PLC020552)

PROXY FORM

Registered Office: 778/6, Pramukh Industrial Estate, Village: Rakanpur, Taluka: Kalol, Dist. Gandhinagar – 382 722, Gujarat, India
 Email: admin@shilpgravures.com, Website: www.shilpgravures.com
 Phone: 02764 – 286323/24, Fax: 02764 – 286335

| | |
|--------------------------|--|
| Name of the Member (s) : | |
| Registered Address : | |
| E-mail ID : | |
| Folio No/ Client ID : | |
| DP ID : | |

I/ We being the member (s) of _____ shares of the above named company, hereby appoint:

- Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him/ her;
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him/ her;
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 26th Annual General Meeting of the Company, to be held on Monday, the 26th August, 2019 at the Registered Office of the Company and any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions | For | Against |
|----------------|---|-----|---------|
| | ORDINARY BUSINESS | | |
| 1. | Adoption of Audited Financial Statements and Reports thereof for the financial year ended 31st March, 2019. | | |
| 2. | To confirm payment of Interim Dividend and to declare a Final Dividend on Equity Shares for the financial year 2018-19. | | |
| 3. | To appoint a Director in place of Mr. Nipam Shah (DIN: 00093697), who retires by rotation and being eligible offers himself for re-appointment. | | |
| | SPECIAL BUSINESS | | |
| 4. | Appointment of Mr. Kirit Patel (DIN: 00380319) as an Independent Director | | |
| 5. | Re-appointment of Mr. Shailesh Desai (DIN: 00169595) as an Independent Director | | |
| 6. | Re-appointment of Mr. Jainand Vyas (DIN: 02656340) as an Independent Director | | |
| 7. | To approve transaction with Related Party(s) u/s 188 of the Companies Act, 2013: | | |

Signed this _____ day of _____, 2019.

Signature of the Shareholder

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Affix
1/-
Rupee
Revenue
Stamp

(Signatuer of Proxy Holder(s))

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COMPLETE CROSS-SECTION OF THE GRAVURE INDUSTRY



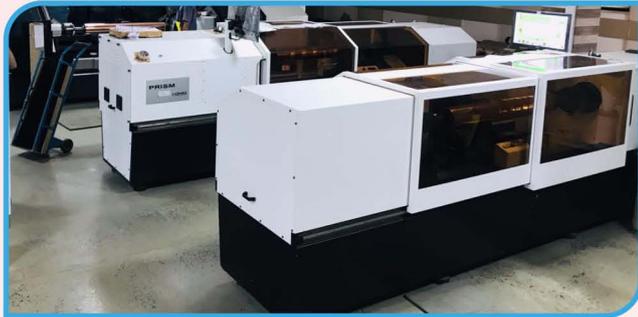
Awards



Flexo Plates for Packaging



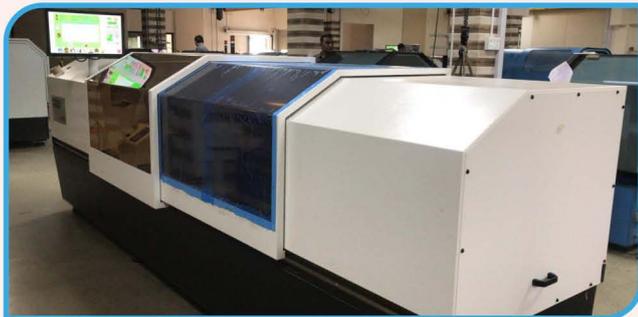
Anilox Rollers



Engraving Machines



Proofing Machine



Engraving Machine



KODAK – Flexcel NX 5080



ESKO – CDI – SPARK 4260



Flexible Packaging



SHILP™
GRAVURES
LIMITED

Registered Office:
778/6, Pramukh Industrial Estate,
Sola_santej Road, Village: Rakanpur,
Tal.: Kalol, Dist.: Gandhinagar-382 722
Tele: +91 2764 286323/24
Web: www.shilpgravures.com
CIN: L27100GJ1993PLC020552