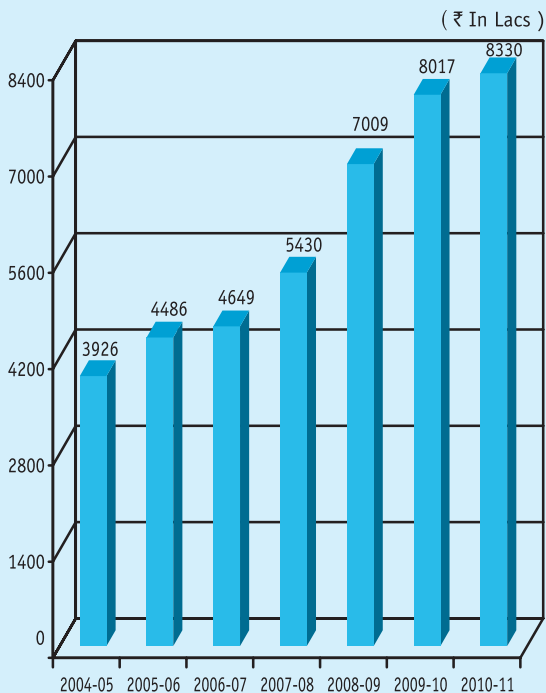


# 18<sup>th</sup> Annual Report 2010-11

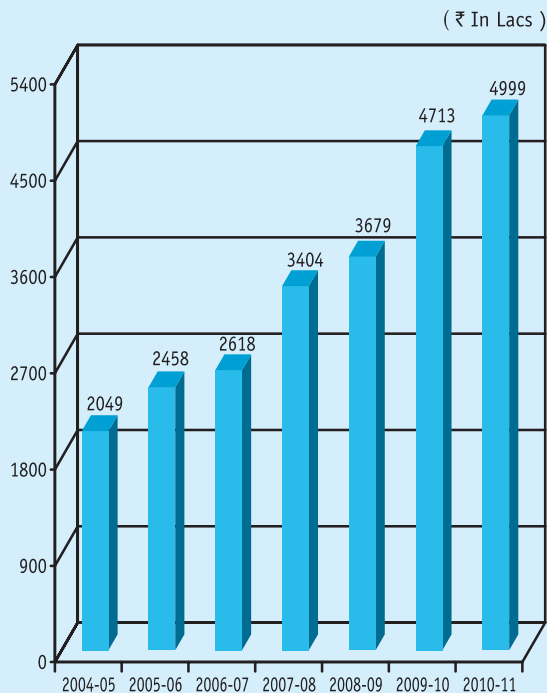


**SHILP**<sup>TM</sup>  
GRAVURES  
LIMITED

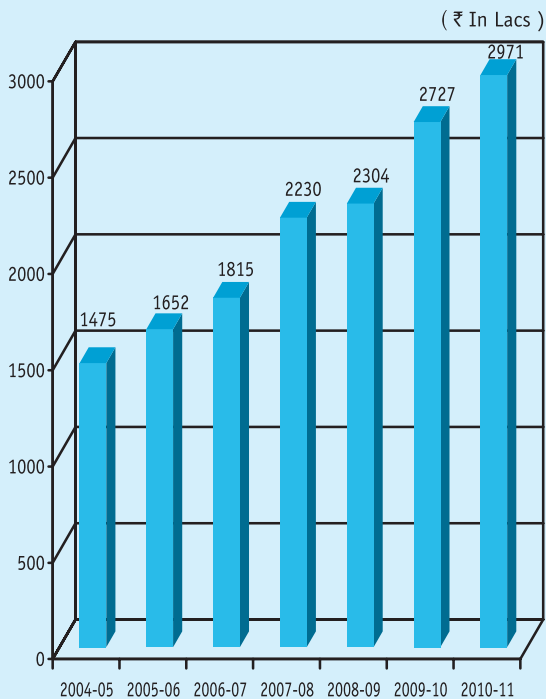
### GROSS ASSETS



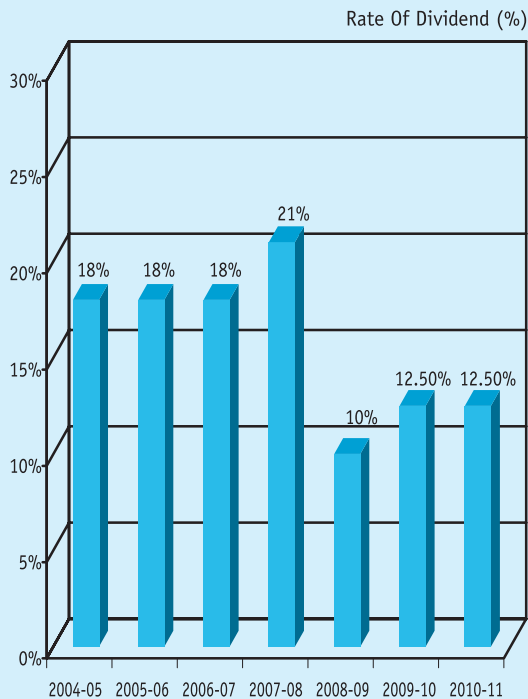
### TURN OVER



### SHAREHOLDER'S FUND



### DIVIDEND DISTRIBUTION



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Dr. Baldev V. Patel	<i>Chairman</i>
Ambar J. Patel	<i>Managing Director</i>
Roshan H. Shah	<i>Whole - Time Director</i>
G. V. Bhavsar	<i>Whole - Time Director</i>
Vithaldas H. Patel	<i>Non - Executive Director</i>
Shailesh C. Desai	<i>Independent Director</i>
Dr. Navin P. Patel	<i>Independent Director</i>
Chinubhai R. Shah	<i>Independent Director</i>
Rajendra S. Shah	<i>Independent Director</i>
Jainand G. Vyas	<i>Independent Director</i>

### CHIEF OPERATING OFFICER

Atul M. Vinchhi

### CHIEF TECHNICAL OFFICER

Narendra R. Patil

### COMPANY SECRETARY

Pragnesh S. Darji

### AUDITORS :

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

### BANKERS :

The Ahmedabad Mercantile Co-Operative Bank Limited  
The Kalupur Commercial Co-Operative Bank Limited  
The Royal Bank of Scotland NV  
Standard Chartered Bank  
Citibank N.A.  
ICICI Bank  
Axis Bank  
Bank of Baroda

### REGISTERED OFFICE & WORKS :

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

### CORPORATE OFFICE :

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

### REGISTRAR & SHARE TRANSFER AGENT :

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

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## NOTICE

NOTICE is hereby given that, the EIGHTEENTH ANNUAL GENERAL MEETING of the members of SHILP GRAVURES LIMITED will be held on Saturday, the **06th day of August, 2011** at 05.00 p.m. at the Registered Office of the Company at 778/6, Pramukh Industrial Estate, Village Rakanpur, Taluka Katol, Dist. Gandhinagar, Gujarat to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with Report of the Directors and Auditors thereon.
2. To declare dividend, if any.
3. To appoint a Director in place of Mr. Chinubhai R. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajendra S. Shah, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration and to pass, with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. Deloitte, Haskins & Sells, Chartered Accountants, Ahmedabad, be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors and reasonable out-of-pocket expenses actually incurred by them in connection with the audit.”

By Order of the Board  
For Shilp Gravures Limited

**Pragnesh Darji**  
Company Secretary

Place : Rakanpur

Date : 14.05.2011

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 30th July, 2011 to Saturday, 06th August, 2011 (both days inclusive) for the purpose of Dividend, if declared, at the Annual General Meeting.
3. Subject to provisions of Section 206A of the Companies Act, 1956, dividend if declared at the meeting, will be payable after 06th August, 2011 to those members whose names appear on the Register of Members as on 29th July, 2011.
4. Following is the name and address of the Registrar & Share Transfer Agents:  
Sharepro Services (India) Private Limited  
416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006
5. (a) The Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, subject to availability of such facility at the respective location of such shareholders. Members are encouraged to utilize the Electronic Clearing System (ECS) / National Electronic Clearing Service (NECS) for receiving dividends.  
(b) Members holding Shares in Electronic Mode may please intimate their Depository participants of changes, if any, are made in the Bank account details.  
(c) Members holding shares in physical form are requested to send their Bank Account Particulars to Registrar and Share Transfer Agents for printing on Dividend Instruments to ensure that there is no fraudulent encashment.  
(d) An ECS Mandate form is annexed at the end of annual report. This may be filled in and submitted at an earliest date so that the Company can extend the facility for payment of dividend.  
(e) All those shareholders holding shares in physical modes are requested to dematerialise their shares for hassle free record and smooth transactions of shares.  
(f) In continuation with green initiative by Ministry of Corporate Affairs, all share holders holding shares in electronic mode are requested to update their email id with respective depository participant and those who held the shares in physical mode may update their email ids by writing a letter addressing company secretary. This will help us in speedy communication with all share holders and saving the environment.
6. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, amount of dividend for the year ended on 31st March, 2003, were deposited with Investors' Education and Protection Fund (IEPF) Account of the Central Government on 01/11/2010.  
Shareholders, who have not encashed Dividend Instruments for the year ended on 31st March, 2004, are requested to make the claims to the Company Secretary at the Registered Office of the Company on or before **08.08.2011** after which no claims shall lie against the Company. Therefore, the shareholders are advised to claim such amounts immediately.
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting, so that the answers may be made readily available at the meeting.
8. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of directors being reappointed are annexed herewith.
9. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

## ANNEXURE TO NOTICE

Details of Directors seeking re-appointment at the Annual General Meeting to be held on 06th August, 2011 (Pursuant to Clause 49 of the Listing Agreement):

Name	Chinubhai R. Shah	Rajendra S. Shah
Date of Birth	04/06/1937	01/02/1948
Date of Appointment	30/07/2008	30/07/2008
Qualifications	M.A., LLM (Gold Medalist), DLP, DTP, FCS, Life Fellow AIMA	Mechanical Engineering
Expertise in specific Functional Area	More than 30 years of Senior Managerial and Board level experience with Shri Ambica Group, ITC Bhadrachalam Ltd., GITCO Ltd. and Torrent Group and held the position of Managing Director at the Ahmedabad Electricity Co. Ltd. Also associated as Director on the Board of several well known Companies like TATA Group, Nirma, Cadila Pharmaceuticals, Adani Group and others.	More than 35 years of experience in the field of manufacturing of bearings. Mr. Rajendra Shah has woven his life around Harsha Engineers Ltd. TS 16949: 2002 certified Company which is a 50 Million Dollars Company, exporting 65% of their products globally. He has been awarded "Best Entrepreneur – 2001" by the Ahmedabad Management Association, Ahmedabad.
Directorships held in other public Companies (Excluding foreign and private Companies)	<ul style="list-style-type: none"> <li>- Adani Power Ltd.</li> <li>- Apollo Hospitals International Ltd.</li> <li>- Arman Financial Services Limited</li> <li>- Abellon Clean Energy Ltd.</li> <li>- Cadila Pharmaceuticals Ltd.</li> <li>- Doshion Ltd.</li> <li>- G.S.E.C. Ltd.</li> <li>- Gujarat NRE Coke Ltd.</li> <li>- Gulmahor Greens – golf &amp; Country Club Ltd.</li> <li>- Meghmani Organics Ltd.</li> <li>- Meghmani Finechem Ltd.</li> <li>- Nirma Ltd.</li> <li>- Saline Area Vitalization Enterprise Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- Harsha Engineers Ltd.</li> <li>- Transformers &amp; Rectifiers (India) Ltd.</li> <li>- Welcast Steels Ltd.</li> <li>- AIA Engineering Ltd.</li> </ul>
Committee Memberships/ Chairmanship in other public Companies	<b>Audit Committee</b> Membership: <ul style="list-style-type: none"> <li>- Adani Power Ltd.</li> <li>- Arman Financial Services Ltd.</li> <li>- Gujarat NRE Coke Ltd.</li> <li>- Meghmani Organics Ltd.</li> </ul> Chairmanship: <ul style="list-style-type: none"> <li>- Cadila Pharmaceuticals Ltd.</li> </ul>	<b>Audit Committee</b> Membership: Nil Chairmanship: <ul style="list-style-type: none"> <li>- AIA Engineering Ltd.</li> </ul>
	<b>Shareholders' &amp; Investors' Grievances Committee</b> Membership: <ul style="list-style-type: none"> <li>- Adani Powers Limited</li> </ul> Chairmanship: <ul style="list-style-type: none"> <li>- Arman Financial Services Ltd.</li> <li>- Meghmani Organics Ltd.</li> </ul>	<b>Shareholders' &amp; Investors' Grievances Committee</b> Membership: <ul style="list-style-type: none"> <li>- Transformers &amp; Rectifiers (India) Ltd</li> </ul> Chairmanship: <ul style="list-style-type: none"> <li>- AIA Engineering Ltd.</li> </ul>
	<b>Remuneration Committee</b> Nil	<b>Remuneration Committee</b> Membership: <ul style="list-style-type: none"> <li>- AIA Engineering Ltd</li> </ul>
Shareholding of Non-Executive Directors	Nil	Nil
Relationships between directors inter-se	N.A.	N.A.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the EIGHTEENTH Director's Report along with the Audited Accounts of the Company for the year ended on 31st March, 2011.

### 1. FINANCIAL RESULTS:

(₹ in Lacs)

Paticulars	For the year ended on 31st March, 2011	For the year ended on 31st March, 2010
Sales & Other Income	<b>5077.27</b>	<b>4836.02</b>
<b>Profit before Depreciation, Interest and Tax</b>	1329.40	1589.45
Less : Depreciation	632.04	574.06
Interest	231.41	253.51
<b>Profit before Tax, Exceptional Item, Prior period Income &amp; Short Provision</b>	<b>465.95</b>	<b>761.88</b>
Less : Provision for Taxation	177.00	231.00
Provision for deferred Tax Liability/(Asset)	(39.38)	18.14
Provision for Wealth Tax	0.75	0.40
<b>Profit/(Loss) After Tax</b>	<b>327.58</b>	<b>512.34</b>
Add/(less) : Excess/(Short) Provision of tax in earlier years	6.18	0.26
Add : Prior period Adjustments	—	—
Surplus brought forward from the Previous Year	1395.71	1024.31
<b>Amount Available for appropriation :</b>	<b>1729.47</b>	<b>1536.91</b>
Appropriation :		
General Reserve	33.50	51.26
Proposed Dividend	76.87	76.87
Corporate Dividend Tax	12.47	13.07
<b>Balance carried to Balance sheet</b>	<b>1606.63</b>	<b>1395.71</b>

### 2. DIVIDEND:

Your Directors are pleased to recommend a dividend ₹ 1.25/- per share on 6,149,800 Equity Shares of ₹ 10/- each of the Company for the financial year 2010-2011. The proposed dividend would absorb ₹ 89.34 lacs including corporate dividend tax. We propose to transfer ₹ 33.50 Lacs to the general reserve.

### 3. BUSINESS OVERVIEW & OPERATIONS:

Your Company's total sales turnover have increased from ₹ 4712.82 lacs to Rs 4999.05 lacs recording growth of 6.07%. The Company's EBIDTA declined from ₹ 1589.45 lacs to ₹ 1329.40 lacs and PAT declined from ₹ 512.60 lacs to ₹ 333.76 lacs.

During the year Company has provided Foreign Exchange loss of ₹ 10.69 Lacs in the Profit & Loss Account as per the Accounting Standard AS-11 of the ICAI. Interest cost has marginally came down from ₹ 253.51 Lacs to ₹ 231.41 Lacs. Depreciation has increased from ₹ 574.06 Lacs to ₹ 632.04 Lacs.

### 4. JOINT VENTURE

During the year, your company has entered into Joint Venture Agreement with Re S.p.A. Controlli Industriali, an Italy based Company and incorporated a new Joint Venture Company in the name of "ReShilp Equipments (India) Private Limited" with an object of manufacturing all types of Web Control & Reel Management systems and other related plants and machineries. Your Company holds 51% stake in the New Joint Venture Company, thus the new Company will be subsidiary of your Company.

### 5. DEPOSITS:

The cumulative deposits accepted by your Company as at 31st March, 2011 were ₹ 296.67 Lacs.

### 6. INSURANCE:

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

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

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

### 8. PARTICULARS OF EMPLOYEES:

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

### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

## 10. CORPORATE GOVERNANCE REPORT:

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

## 11. DIRECTORS:

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company, Mr. Chinubhai R. Shah and Mr. Rajendra S. Shah are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Notice convening Annual General Meeting includes resolutions for re-appointment of Mr. Chinubhai R. Shah and Mr. Rajendra S. Shah along with their brief details.

## 12. AUDITORS:

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

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

## 13. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the accounting policies have been applied consistently and reasonable and prudent estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2010-2011 and the profit of the Company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Annual Accounts have been prepared on a 'going concern basis'.

## 14. ACKNOWLEDGMENTS:

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

Your Directors also wish to place on record their appreciation for the dedicated services and contribution given by all the employees of the Company.

**On Behalf of the Board**

**Ambar Patel** - Managing Director

**Roshan Shah** - Whole Time Director

**G V Bhavsar** - Whole Time Director

Place : Rakanpur

Date : 14.05.2011

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 for the year ended on 31st March 2011.

### A. CONSERVATION OF ENERGY:

#### 1) Energy conservation measures taken:

- i) As per the present government rules, compulsory energy audit has to be carried out for energy demand above 200KVA. So the Company has appointed recognized agency for carrying out energy audit and the result of the energy Audit reflects in the consumption of Electricity units of 2010-11 as against 2009-10.
- ii) The Company has installed Wind Mill with a capacity of 0.8 MW, in the state of Gujarat for captive consumption of units generated. During the year 1278565 units were generated as against 1304083 units in the previous year.
- iii) As the Company maintains the average monthly power factor at 0.99, we can utilize the maximum power load as demanded.

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

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

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

- i) Resulted in reduction in consumption of energy and subsequently reduced cost of production of goods.
- ii) As we have maintained power factor at 0.99, we were eligible for maximum rebate from the State Power Supply Company.



During the year 3800270 Units of Electricity were purchased and 61072 Units were generated through DG Set, at a cost of ₹ 12.31 lacs. Best efforts are being made in conservation of energy.

**B. RESEARCH & DEVELOPMENT (R&D):**

During the year, no new Research & Development activities were carried out.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars regarding Foreign Exchange Earnings and Outgo appear in Schedule 16 in the Notes to the Accounts.

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## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### ECONOMY OVERVIEW:

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

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

High inflation especially high food inflation of 8.53% has put consumers spending under pressure.

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Gravure Industry has been continuously growing and showing an upward trend since the company began its operations in 1995. Today your Company serves various segments of gravure industry such as flexible packaging, PVC flooring, artificial leather, specialty coating, etc. Your Company has state of the art latest technologies and facilities to keep pace with the emerging trends in the market. The laser technology has capability to cater to specialty applications like embossing which will be import substitute to many industries. We have developed designs for embossing in glass, paperboard, leather, etc. The designs have been commercially accepted and market response for the same has been overwhelming.

During the Current year the Flexo Division which was at Vadodara is shifted to Companies factory at Rakanpur.

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

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

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

### OPPORTUNITIES:

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

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

### THREATS, RISKS & CONCERNS:

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

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

### OUTLOOK:

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

### INTERNAL CONTROLS:

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

### CAUTIONARY STATEMENT:

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results could differ from those expressed or implied. Company's operations should be viewed in light of changes in market conditions, prices of raw materials, economic developments in the country and such other factors.



## CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

### 1. COMPANY'S PHILOSOPHY:

Your Company believes that good Corporate Governance is essential in steering the Company towards growth and development. Corporate governance consists of practices which are directed towards ensuring transparency and timely disclosure. It is aimed at assisting the top management of the company to meet its obligation to all its stakeholders, including amongst others, shareholders, customers, employees and community in which the Company operates.

Your Company endeavors to adopt best governance practices. Our commitment is reflected in the steps that we have taken to ensure compliance of law and by regularly reviewing the systems and procedures. Your Company constantly strives to achieve enhancement of shareholders value and effective utilization of resources to realize long term goals.

### 2. BOARD OF DIRECTORS:

#### (a) Composition of Board of Directors:

The Composition of Board of Directors complies with the provisions of Corporate Governance of Listing Agreement with reference to number of Executive and Non Executive Directors. As at March 31, 2011, the Company's Board of Directors is comprised of 10 (Ten) Directors, with a Managing Director, 2 (Two) Whole-time Directors, 2 (Two) Non - Executive Directors and 5 (Five) Independent Directors. The Chairman of the Board is a Non-Executive Director.

None of the Directors on the Board is a member of more than 10 committees or act as a Chairman of more than 5 committees across all companies in which he is a director. The Directors are qualified and experienced professionals in business, finance, law and management.

#### (b) Board Meetings:

During the year under review, 4 (Four) Board Meetings were held on 08th May, 2010, 31st July, 2010, 03rd November, 2010 and 04th February, 2011. The Company's last Annual General Meeting was held on 07th August, 2010. The maximum time gap between 2 Board meetings did not exceed more than 4 months as prescribed under the Listing agreement.

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

The Composition of the Board, attendance at Board Meetings (BM) held during the year and at the last Annual General Meeting (AGM), numbers of Directorships and Memberships of Committees as on March 31, 2011 are as follow:

Name of Director	Category of Director	Board Meeting	Last AGM held on August 7, 2010	Other Director -ship	Committee Memberships	Committee Chairmanships
Dr. Baldev Patel	NED	1/4	No	Nil	Nil	Nil
Mr. Ambar Patel	MD	4/4	Yes	Nil	Nil	Nil
Mr. Roshan Shah	WTD	4/4	Yes	Nil	Nil	Nil
Mr. G. V. Bhavsar	WTD	4/4	Yes	Nil	Nil	Nil
Mr. Vithaldas Patel	NED	1/4	No	Nil	Nil	Nil
Mr. Shailesh Desai	NED (I)	4/4	Yes	Nil	Nil	Nil
Mr. Chinubhai Shah	NED (I)	4/4	Yes	13	5	3
Mr. Rajendra Shah	NED (I)	2/4	No	5	2	2
Dr. Navin Patel	NED (I)	1/4	Yes	Nil	Nil	Nil
Mr. Jainand Vyas	NED (I)	4/4	Yes	Nil	Nil	Nil

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

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

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

#### (c) Details of Directors being re-appointed:

According to Articles of Association, one third of the directors retires by rotation and if eligible, offers themselves for re-appointment at the Annual General Meeting. As per Article 126 of Articles of Association, Mr. Chinubhai R. Shah and Mr. Rajendra S. Shah will retire at the ensuing Annual General Meeting & have offered themselves for reappointment. Detailed resume of the directors are provided in the Notice for the Annual General Meeting.

### 3. COMMITTEES OF THE BOARD:

#### (A) Audit Committee:

##### (I) Composition:

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

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

The Chairman of the Committee was present at the Annual General Meeting held on 7th August, 2010. Executives from the Finance Department, Representatives of the Statutory Auditors and Internal Auditors were also invited to attend the Audit Committee Meetings.

#### (II) Committee Meetings:

During the year under review, 4(Four) Audit Committee Meetings were held on 08th May, 2010, 31st July, 2010, 03rd November, 2010 and 04th February, 2011. Attendance of the members at the meetings is as under:

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

#### (III) Terms of Reference:

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

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

#### (B) Remuneration Committee:

##### (I) Composition:

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

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

##### (II) Committee Meetings:

During the year under review, 1 (One) Remuneration Committee Meeting was held on 08th May, 2010. Attendance of the members at the meeting is as under.

Name of the Director	No of Meetings Attended
Mr. Shailesh Desai	1
Mr. Chinubhai Shah	1
Dr. Navin Patel	0

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

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

- To determine Company's Policy on Specific Remuneration Packages for Managing Director and Executive Directors Including Pension Rights and any compensation payment.
- To annually review and approve for Managing Director and Executive Directors:
  - Monthly Basic Salary.
  - Annual Remuneration Payment including all types of perquisites.
  - Employment Agreements and Severance Arrangements and;
  - Any other Benefits, Compensation or Arrangements.

##### (IV) Remuneration Policy:

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

##### (i) Executive Directors:

Particulars	Name of Directors (Amt in ₹)		
	Mr. Ambar Patel	Mr. Roshan Shah	Mr. G. V. Bhavsar
Salary	1981300	1958200	1958200
Perquisites & Allowances	467451	461214	461214
Retirement Benefits	676383	670511	670511
<b>Total</b>	<b>3125134</b>	<b>3089925</b>	<b>3089925</b>
No. of Shares	243910	95054	316900

- Notice period for Executive Directors is 3 months.
- Service Contract for Executive Directors is 5 years w.e.f. 1st July 2007.
- The Company has not issued any stock options to the Directors.

**(ii) Non Executive Directors:**

Sitting Fees for attending meetings of Board / Committee is paid as per the provisions of Articles of Association of the Company / Companies Act, 1956. Remuneration of the Non Executive Directors is decided by the Board based on their attendance and contribution at the Board, time spent for the business of the Company, seniority, experience and expertise of each Director. A detailed criterion for payment to Non Executive Directors is posted on the web site of the Company. The sitting Fees / remuneration paid to Non Executive Directors and their Shareholding in the Company is as follows:

Name of Directors	Particulars		
	Sitting Fees Paid (Amt ₹)	Remuneration (Amt ₹)	No. of Shares
Dr. Baldev Patel	15000	—	559859
Mr. Vithaldas Patel	—	1200000*	48406
Mr. Shailesh Desai	140000	—	9000
Dr. Navin Patel	15000	—	NIL
Mr. Chinubhai Shah	130000	—	NIL
Mr. Rajendra Shah	40000	—	NIL
Mr. Jainand Vyas	60000	—	1000

\*Approved by Members and Central Government.

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

**(C) Shareholders' / Investors Grievance Committee:**

**(I) Composition:**

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

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

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

**(II) Committee Meetings:**

During the year under review, 1 (One) Shareholders' / Investors Grievance Committee Meeting was held on 08th May, 2010. Attendance of the members at the meeting is as under:

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

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

**(III) Terms of Reference:**

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

**(IV) Investors' Grievances during the year**

**Status of Complaints received during the year:**

Particulars	No. of Complaints pending at the beginning of year	No. of Complaints received during the year	No. of Complaints redressed during the year	Pending as on 31.03. 2011
Related to Shares	Nil	Nil	Nil	Nil
Non receipt of Dividend	2	5	7	Nil

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

**4. INFORMATION RELATING TO ANNUAL GENERAL MEETINGS:**

- i) The last three Annual General Meetings were held at: 780, Pramukh Industrial Estate, Vill. Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 721

Financial Year	Date of Annual General Meeting	Time
2009-2010	07th August, 2010	4.00 P.M.
2008-2009	08th August, 2009	4.00 P.M.
2007-2008	17th May, 2008	4.00 P.M.

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

Date of Meeting	Resolutions
August 7, 2010	Resolutions for Revision in terms and conditions of appointment of Mr. Ambar Patel as Managing Director and Mr. Roshan Shah & Mr. Gajanan V. Bhavsar as Whole Time Directors. Resolution for appointment of Mr. Deval Patel to hold an office or place of profit.
August 8, 2009	No Special Resolution was passed.
May 17, 2008	Payment of Remuneration to Mr. Vithaldas Patel, Non Executive Director, subject to approval of Central Government.

No Special Resolution was put through Postal Ballot last year.

#### 5. DISCLOSURES:

1. Related Party Transactions have been disclosed in the Notes to Accounts. Apart from that, there are no materially significant related party transactions that may have conflict with the interest of the Company.
2. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital markets, during the last three years : Nil

#### 6. DISCLOSURE OF ACCOUNTING TREATMENT:

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

#### 7. CEO/CFO CERTIFICATION:

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

#### 8. MEANS OF COMMUNICATION :

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

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Your Company requests you to kindly inform any changes to your email address to your Depository Participant from time to time. The shareholders holding Company's share(s) in electronic form and have registered the email address in the records of the Depository which has been made available to us by them. Going forward, the shareholder communication would be sent in electronic form to their email addresses. The annual report of your Company for Financial Year 2010-11 would also be made available on the Company's website: [www.shilpgravures.com](http://www.shilpgravures.com).

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

#### 9. GENERAL SHAREHOLDER INFORMATION:

##### 1. Annual General Meeting:

Date and Time: 06th August, 2011 at 05.00 p.m.

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

##### 2. Financial Calendar:

Results for the Quarter Ending on:

30th June 2011	End of July 2011
30th September 2011	End of October 2011
31st December 2011	End of January 2012
31st March 2012	End of May 2012

#### 3. Book Closure:

Saturday, 30th July, 2011 to Saturday, 06th August, 2011 (Both days inclusive).

#### 4. Dividend Payment Date:

i) Dividend if declared will be paid to:

(a) The members in respect of shares held in physical form, after giving effect to all valid transfers of shares in physical form lodged with the Company on or before the close of business hours on 29th July, 2011.

(b) the members whose names will appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 29th July, 2011, in respect of shares held in Demat form.

ii) Dividend warrants made payable on 08th August, 2011 will be posted to members at their registered address.

#### 5. Listing on Stock Exchanges:

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

The Company has paid the Listing fee for the year 2011-2012 to the Stock Exchange.

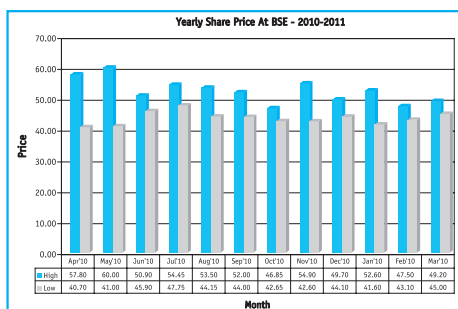
#### 6. Stock Code/ Symbol:

Stock Code : 513709

Stock Symbol : SHILGRAVQ

ISIN : INE960A01017

#### 7. Stock Performance:



Monthly High- Low on BSE: (Amount in ₹)		
Month	High	Low
Apr-10	57.80	40.70
May-10	60.00	41.00
Jun-10	50.90	45.90
Jul-10	54.45	47.75
Aug-10	53.50	44.15
Sep-10	52.00	44.00
Oct-10	46.85	42.65
Nov-10	54.90	42.60
Dec-10	49.70	44.10
Jan-11	52.60	41.60
Feb-11	47.50	43.10
Mar-11	49.20	45.00

## 8. Registrar and Share Transfer Agent:

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

## 9. Share Transfer System:

Share Transfer Agent attends to the share transfer work once in a fortnight and shares are transferred if the documents are clear in all respects. During the year 43 Transfer Deeds involving 40800 shares were transferred. Requests for Issue of Duplicate Shares / Fresh Share Certificate / Transmission / Consolidation of Shares are approved by the Shareholders / Investors Grievance Committee. Pursuant to clause 47(c) of the listing agreement with the Stock Exchange, certificate on half yearly basis, has been issued by a Company Secretary in Practice for due compliance of share transfer formalities.

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

## 10. Distribution of Shareholding as on March 31, 2011:

No of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	4299	87.72	597560	9.72
501 – 1000	218	4.45	184203	2.99
1001 – 2000	134	2.73	206554	3.36
2001 – 3000	76	1.55	193674	3.15
3001 – 4000	27	0.55	94813	1.54
4001 – 5000	20	0.41	94627	1.54
5001 – 10000	55	1.12	399792	6.50
10001 and above	72	1.47	4378577	71.20
<b>Total</b>	<b>4901</b>	<b>100.00</b>	<b>6149800</b>	<b>100.00</b>

## 11. Pattern of Shareholding as on March 31, 2011:

Sr. No.	Category	No. of Shares	(%)
1.	i) Indian Promoters	1665211	27.08
	ii) Foreign Promoters	1788739	29.09
2.	Financial Institutions/Banks	0	0
3.	Body Corporate	140511	2.28
4.	Indian Public	2079413	33.81
5.	NRI	466926	7.59
6.	Any Other	9000	0.15
7.	Shares in Transit	0	0
<b>8.</b>	<b>Total</b>	<b>6149800</b>	<b>100.00</b>

## 12. Distribution of Physical & Dematerialized Shares on March 31, 2011:

Total Paid-up & Listed Capital	Physical			Demat Holding		
	No. Of Shares	%	No. Of Shareholders	No. Of Shares	%	No. Of Shareholders
61,49,800 Shares	697210	11.34	1956	5452590	88.66	2945

## 13. Plant Location:

The Company's plant is located at: 778/6, Pramukh Industrial Estate, Village Rakanpur, Taluka Kalol, Dist. Gandhinagar 382 721.

## 14. Address of Correspondence:

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

### DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

This is to confirm that the Company has adopted Code of Conduct for Directors & Senior Management Personnel. Both these codes are available on the web site of the Company. I confirm that the Company has in respect of the financial year ended 31st March 2011, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Place : Rakanpur  
Date : 31.03.2011

**Ambar Patel**  
Managing Director

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

#### To the Members of Shilp Gravures Limited

We have examined the compliance of conditions of Corporate Governance by **SHILP GRAVURES LIMITED** for the year ended on **31st March, 2011** as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

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

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

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

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

**Gaurav J. Shah**

Place : Ahmedabad  
Date : 14th May, 2011

Partner  
(Membership No. 35701)



## AUDITORS' REPORT

### TO THE MEMBERS OF SHILP GRAVURES LIMITED

1. We have audited the attached Balance Sheet of **SHILP GRAVURES LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
    - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

**Gaurav J. Shah**  
Partner

Ahmedabad, 14th May, 2011

(Membership No. 35701)

### ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's activities, clauses (viii), (x), (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 hence the clauses 3 (b), (c) and (d) are not applicable to the Company.

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

- (a) The Company has taken an unsecured loan amounting to ₹ 7 lacs from a company listed in the Register maintained under Section 301 of the Companies Act, 1956. At the year-end, the outstanding balance of such a loan taken is ₹ 7.62 lacs and the maximum amount involved during the year was ₹ 7.77 lacs.
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
- (c) The payments of principal amounts and interest in respect of such loans are regular/as per stipulations.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2008-09	3.47

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xi) In our opinion and according to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xvii) The Company has not raised any money by the way of public issue during the year.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**Gaurav J. Shah**  
Partner

Ahmedabad, 14th May, 2011

(Membership No. 35701)



## BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lacs)

	Schedule	As at 31st March '11	As at 31st March '10
<b>SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	1	614.98	614.98
Reserves and Surplus	2	2,356.39	2,111.97
		<b>2,971.37</b>	<b>2,726.95</b>
<b>Loan Funds</b>			
Secured Loans	3	1,483.63	1,865.32
Unsecured Loans	4	583.48	712.16
		<b>2,067.11</b>	<b>2,577.48</b>
<b>Deferred Tax Liability (Net)</b> {Refer Note 4 of Schedule 16B}		440.42	479.80
<b>TOTAL</b>		<b>5,478.90</b>	<b>5,784.23</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	8,330.02	8,017.28
Less: Depreciation / Amortization		4,326.48	3,697.87
<b>Net Block</b>		4,003.54	4,319.41
Capital Work-in-progress		20.47	85.84
		<b>4,024.01</b>	<b>4,405.25</b>
<b>Investments</b>			
	6	27.38	28.78
<b>Current Assets, Loans and Advances</b>			
Inventories	7	531.95	506.97
Sundry Debtors		1,556.79	1,456.97
Cash and Bank Balances		191.29	189.67
Loans and Advances		159.19	318.49
<b>Total Currents Assets</b>		2,439.22	2,472.10
Less: Current Liabilities and Provisions	8	1,011.71	1,121.90
<b>Net Current Assets</b>		<b>1,427.51</b>	<b>1,350.20</b>
<b>TOTAL</b>		<b>5,478.90</b>	<b>5,784.23</b>
Significant Accounting Policies and Notes to financial statements	16		

In terms of our report attached

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

**Gaurav J. Shah**  
Partner  
(Memberships No.35701)  
Place : Ahmedabad  
Date : 14-05-2011

For and on behalf of the Board

**Ambar J. Patel**  
Managing Director

**Gajanan V. Bhavsar**  
Executive Director

Place : Rakanpur  
Date : 14-05-2011

**Roshan H. Shah**  
Executive Director

**Pragnesh Darji**  
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

(₹ in lacs)

	Schedule	Year ended 31/03/2011	Year ended 31/03/2010
<b>INCOME</b>			
Sales and Services	9	4,999.05	4,712.82
Other Income	10	78.22	123.20
Increase/(Decrease) in Stock	11	(5.58)	9.86
		<b>5,071.69</b>	<b>4,845.88</b>
<b>EXPENDITURE</b>			
Materials and Manufacturing Expenses	12	2,369.22	1,979.52
Employee Emoluments	13	848.36	803.06
Administrative, Selling & Other Expenses	14	524.71	473.85
Interest and Finance Charges	15	231.41	253.51
Depreciation / Amortisation		632.04	574.06
		<b>4,605.74</b>	<b>4,084.00</b>
<b>Profit Before Tax and prior period adjustments</b>		<b>465.95</b>	<b>761.88</b>
<b>Provision for Tax</b>			
Current tax		177.00	231.00
Wealth Tax		0.75	0.40
Deferred Tax Liability/(Asset)		(39.38)	18.14
Short/(Excess) provision of tax in earlier years (Net)		(6.18)	(0.26)
<b>Profit After Tax</b>		<b>333.76</b>	<b>512.60</b>
Balance Brought Forward		1,395.71	1,024.31
<b>Amount Available for Appropriations</b>		<b>1,729.47</b>	<b>1,536.91</b>
<b>Appropriations</b>			
Transfer to General Reserve		33.50	51.26
Proposed Dividend		76.87	76.87
Tax on Proposed Dividend		12.47	13.07
<b>Balance Carried to Balance Sheet</b>		<b>1,606.63</b>	<b>1,395.71</b>
<b>Earnings Per Share of the face value of ₹ 10 each</b>			
Basic and Diluted {Refer Note 10 of Schedule 16B}		5.43	8.34
Significant Accounting Policies and Notes to financial statements	16		

In terms of our report attached

**Deloitte Haskins & Sells**

 Chartered Accountants  
(Registration No.117365W)

**Gaurav J. Shah**

 Partner  
(Membership No.35701)  
Place : Ahmedabad  
Date : 14-05-2011

For and on behalf of the Board

**Ambar J. Patel**  
Managing Director

**Gajanan V. Bhavsar**  
Executive Director

 Place : Rakanpur  
Date : 14-05-2011

**Roshan H. Shah**  
Executive Director

**Pragnesh Darji**  
Company Secretary

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in lacs)

	As at 31st March '11	As at 31st March '10
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised:</b>		
65,00,000 Equity Shares of ₹10 each.	650.00	650.00
<b>Issued, Subscribed and Paid-up:</b>		
61,49,800 Equity Shares of ₹ 10 each fully paid up	614.98	614.98
	614.98	614.98
	614.98	614.98
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
State Capital Investment Subsidy		
Balance as per last Balance Sheet	15.00	15.00
<b>General Reserve</b>		
As per Last Balance Sheet	701.26	650.00
Add : Transferred from Profit & Loss Account	33.50	51.26
	734.76	701.26
<b>Profit and Loss Account</b>		
Balance as per Profit and Loss Account	1,606.63	1,395.71
	<b>2,356.39</b>	<b>2,111.97</b>
	<b>2,356.39</b>	<b>2,111.97</b>
<b>SCHEDULE 3 - SECURED LOANS</b>		
<b>Term Loans</b>		
From Banks		
Foreign Currency Loans	29.81	493.92
Indian Rupee Loans	342.17	344.96
<b>Short term Working Capital Loans</b>		
From Banks	1,111.46	1,006.93
<b>Hire Purchase Loans</b> {Refer Note 3 of Schedule 16B}	0.19	19.51
	<b>1,483.63</b>	<b>1,865.32</b>
	<b>1,483.63</b>	<b>1,865.32</b>
<b>SCHEDULE 4 - UNSECURED LOANS</b>		
From Financial Institution	169.38	166.87
<b>Fixed deposits</b>		
From Directors	70.42	122.05
From Others	228.51	296.24
Inter Corporate Deposits	115.17	127.00
	<b>583.48</b>	<b>712.16</b>
	<b>583.48</b>	<b>712.16</b>

**SCHEDULE 5 - FIXED ASSETS (AT COST)**

(₹ in lacs)

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1st April '10	Additions during the year	Deletions / Adjustments during the year	As at 31st March '11	As at 1st April '10	For the year	Deletions / Adjustments during the year	As at 31st March '11	As at 31st March '11	As at 31st March '10
Land	94.58	—	31.90	62.68	—	—	—	—	62.68	94.58
Buildings	600.97	130.37	—	731.34	88.68	19.44	—	108.12	623.22	512.29
Plant & Machinery	5,916.38	109.97	1.06	6,025.29	3,057.29	439.02	0.20	3,496.11	2,529.18	2,859.09
Electrical Installations	133.01	18.36	—	151.37	40.56	7.02	—	47.58	103.79	92.45
Furniture & Fixtures	136.47	7.61	—	144.08	56.91	8.73	—	65.64	78.44	79.56
Office Equipments & Computers	413.49	53.61	1.02	466.08	280.11	29.52	0.41	309.22	156.86	133.38
Vehicles	161.95	36.16	9.36	188.75	47.67	16.22	2.82	61.07	127.68	114.28
Goodwill	560.43	—	—	560.43	126.65	112.09	—	238.74	321.69	433.78
<b>Total</b>	<b>8,017.28</b>	<b>356.08</b>	<b>43.34</b>	<b>8,330.02</b>	<b>3,697.87</b>	<b>632.04</b>	<b>3.43</b>	<b>4,326.48</b>	<b>4,003.54</b>	<b>4,319.41</b>
Capital Work In Progress									20.47	85.84
Previous Year	7,008.85	1,023.47	15.04	8,017.28	3,135.34	574.06	11.53	3,697.87	4,319.41	

**Notes:**

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

(₹ in lacs)

	As at 31st March '11	As at 31st March '10
<b>SCHEDULE 6 - INVESTMENTS (AT COST)</b>		
<b>Long Term - Unquoted</b>		
<b>Non Trade</b>		
1,02,520 (P.Y. 1,02,520) Equity shares fully paid up of ₹ 25 each of Kalupur Commercial Co-operative Bank	25.63	25.63
3500(P.Y.Nil)Equity Shares fully paid up of ₹50 each of The Ahmedabad Mercantile Co.Op.Bank Ltd.	1.75	—
Nil (P.Y. 6604) units of Reliance Banking Fund	—	3.15
	<b>27.38</b>	<b>28.78</b>
<b>SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Inventories</b>		
Finished Goods	3.35	4.77
Work in Process	123.01	127.17
Raw Materials and Goods in Transit	369.77	349.76
Packing Materials	1.66	1.21
Stores, Spares & Consumables	34.16	24.06
	<b>531.95</b>	<b>506.97</b>
<b>Sundry Debtors (Unsecured and considered good)</b>		
Outstanding over six months	151.60	244.87
Others	1,405.19	1,212.10
	<b>1,556.79</b>	<b>1,456.97</b>
<b>Cash and Bank Balances</b>		
Cash on hand	3.36	5.11
Balances with Scheduled Banks		
In Current Accounts {including ₹ 15.64 lacs (P.Y. ₹ 17.19 lacs) in unclaimed dividend accounts}	123.06	119.92
In Margin Accounts	1.74	1.74
In Fixed Deposit Accounts	63.13	62.90
	<b>191.29</b>	<b>189.67</b>
<b>Loans and Advances (Unsecured and considered good)</b>		
Advances recoverable in cash or kind or for value to be received	103.33	125.25
Balances with tax / statutory authorities	19.55	112.98
Sundry deposits	36.31	50.93
Advance Tax and TDS (Net of Provisions)	—	29.33
	<b>159.19</b>	<b>318.49</b>

(₹ in lacs)

	As at 31st March '11	As at 31st March '10
<b>SCHEDULE 8 - CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors	589.20	599.75
Advances from Customers	26.10	23.47
Payable to erstwhile partners of M/s Shilp Gravures	—	89.76
Payable on business acquisition *	7.85	31.45
Unclaimed Dividend**	15.64	17.20
Statutory and other liabilities	202.72	199.90
*Pertaining to acquisition of "a consultant" and "a designer" in the financial year 2008-09.		
**There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
	841.51	961.53
<b>Provisions</b>		
Provision for Taxation (net of advance tax)	1.90	—
Provision for Leave Enchashment	19.94	17.75
Provision for Gratuity	59.02	52.68
Proposed Dividend and Dividend Tax	89.34	89.94
	170.20	160.37
	<b>1,011.71</b>	<b>1,121.90</b>

### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(₹ in lacs)

	Year ended 31/03/2011	Year ended 31/03/2010
<b>SCHEDULE 9 - SALES AND SERVICES</b>		
Sales	3,832.17	3,559.35
Less : Excise Duty	348.81	278.40
	<b>3,483.36</b>	<b>3,280.95</b>
Job Work Sales	1,519.83	1,501.82
Less : Service Tax	141.62	141.40
	<b>1,378.21</b>	<b>1,360.42</b>
Trading Sales	72.11	50.00
Other Sales	77.62	47.29
Less: Discount on sales	12.25	25.84
	<b>4,999.05</b>	<b>4,712.82</b>
<b>SCHEDULE 10 - OTHER INCOME</b>		
Dividend From Long Term Investments	2.78	5.24
Share from partnership firm (upto April 15,2009)	—	0.51
Recovery of Bad debts written off in earlier years	1.24	3.62
Rent Income	0.90	0.90
Gain on foreign exchange rate fluctuation	—	91.48
Write back of provision for diminution in value of Long term investments	—	17.71
Profit on sale of fixed assets	15.57	2.17
Fire Insurance Claim received	52.89	—
Miscellaneous Income	4.84	1.57
	<b>78.22</b>	<b>123.20</b>

(₹ in lacs)

	Year ended 31/03/2011	Year ended 31/03/2010
<b>SCHEDULE 11 - INCREASE /( DECREASE) IN STOCK</b>		
<b>Closing Stock</b>		
Finished Goods	3.35	4.77
Work In Process	123.01	127.17
	<u>126.36</u>	<u>131.94</u>
<b>Less : Opening Stock</b>		
Finished Goods	4.77	11.40
Work In Process	127.17	110.68
	<u>131.94</u>	<u>122.08</u>
	<b>(5.58)</b>	<b>9.86</b>
<b>SCHEDULE 12 - MATERIALS AND MANUFACTURING EXPENSES</b>		
Purchase of traded goods	59.87	45.54
Raw Materials Consumed	1,557.94	1,259.15
Stores, Spares & Consumables	332.61	334.24
Packing Materials Consumed	59.94	51.39
Loss of materials on fire	—	39.81
Power, Fuel & Electricity	174.39	175.14
Repairs and Maintenance		
Plant & Machinery	70.59	13.71
Building	50.62	24.50
Others	36.39	8.36
Laboratory, Reaserch & Development Expenses	2.04	2.06
Factory Expenses	24.83	25.62
	<u>2,369.22</u>	<u>1,979.52</u>
<b>SCHEDULE 13 - EMPLOYEES EMOLUMENTS</b>		
Salaries and Wages	749.40	719.88
Contributions to Provident and other funds	51.27	46.65
Welfare Expenses	47.69	36.53
	<u>848.36</u>	<u>803.06</u>
<b>SCHEDULE 14 - ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
Rent, Rates & Taxes	17.61	21.86
Legal and Professional Charges	47.25	56.65
Conveyance and Travelling	84.68	85.50
Communication Expenses	23.17	21.41
Stationary and Printing	11.38	12.85
Subscriptions and Memberships	2.07	1.03
Insurance Premium	43.32	39.72
Auditors Remuneration	5.76	5.22
Computer Expenses	35.65	7.63
Bad debts	71.96	100.78
Donation	5.47	1.58
Clearing & Forwarding	65.49	47.48
Sales Commision		
to sole selling agent	35.23	25.01
to others	31.59	29.18
Advertisement and Business Promotion	18.28	6.69
Loss on foreign exchange rate fluctuation	10.69	—
Miscellaneous Expenses	15.11	11.26
	<u>524.71</u>	<u>473.85</u>
<b>SCHEDULE 15 - INTEREST AND FINANCE CHARGES</b>		
On term loans	32.83	35.51
On working capital loans	131.01	76.35
Others	49.09	107.55
	<u>212.93</u>	<u>219.41</u>
Less : Interest Income	2.56	2.11
Bank Charges	21.04	36.21
	<u>231.41</u>	<u>253.51</u>

## SCHEDULE 16 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

### A. Significant Accounting Policies

#### 1. Accounting Convention

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

#### 2. Use of Estimates

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

#### 3. Tangible Fixed Assets

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

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

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

#### 4. Intangible Assets

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

#### 5. Depreciation / Amortization

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

Softwares are depreciated over five years.

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

#### 6. Impairment of Assets

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

#### 7. Investments

Current investments are carried at the lower of cost or market value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the

management, such a decline is regarded as being other than temporary.

#### 8. Inventories

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

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

Cost of inventories is determined on "First In First Out" basis.

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

#### 9. Revenue Recognition

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

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

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

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

#### 10. Foreign Currency Transactions

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

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

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

#### 11. Employee Benefits

##### Defined Contribution Plans:

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

##### Defined Benefit Plan:

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the



profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

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

#### 12. Borrowing Costs

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

#### 13. Provision for Tax

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

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

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

#### 14. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

#### B. Notes to the financial statements

1. Contingent liability towards income tax for the Assessment Year 2008-09 aggregating to ₹ 3.47 lacs (P.Y. Nil) in respect of disallowance of depreciation, for which Company's appeal is pending.
2. Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance) ₹ 109.81 Lacs (P.Y. ₹ 34.76 Lacs).
3. Term loans amounting to ₹ 186.09 Lacs (P.Y. ₹ 535.59 Lacs) and working capital loans of ₹ 268.54 Lacs (P.Y. ₹ 184.42

Lacs) from The Royal Bank of Scotland are secured by exclusive charge over fixed assets created / to be created out of the said loan and further secured by mortgage of immovable properties situated at the registered office of the Company and personal guarantee of all the promoter directors.

During the year all the Credit facilities (Term Loans and Working Capital facilities) provided by Kalupur Commercial Co. Operative Bank Limited ("K.C.C.B") have been shifted to The Ahmedabad Mercantile Co. Operative Bank Limited. The term loan from The Ahmedabad Mercantile Co-operative Bank limited amounting to ₹ 50.56 Lacs (P.Y. ₹ 100.29 Lacs from K.C.C.B) is secured by exclusive charge over entire movable plant and machinery acquired out of the said loan and further secured by personal guarantee of some of the promoter directors.

Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd of ₹ 692.91 Lacs (P.Y. ₹ 447.51 Lacs from K.C.C.B) is secured by present and future book debts and inventories of the Company, personal guarantee of some of the promoter directors and further secured by second charge over fixed assets held by The Royal Bank of Scotland.

Working Capital Loan from the Standard Chartered Bank of ₹150.00 Lacs (P.Y. ₹ 375.00 Lacs) is secured by hypothecation of stock and book debts and personal guarantee of some of promoter directors.

Term loan from Citi Bank amounting to ₹ 135.33 Lacs (P.Y. ₹ 203.00 Lacs) is secured by exclusive charge over plant and machinery created out of that loan.

Hire purchase finances are secured by hypothecation of respective assets.

Unsecured loan from financial institution amounting to ₹ 169.37 lacs (P.Y. ₹ 166.87 lacs) includes loan from Life Insurance Corporation of India which is availed against Keyman Insurance Policies of the key employees of the Company.

#### 4. Deferred Tax

Major components of deferred tax liability are as follows

(₹ in Lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
<b>Opening Balance of Deferred Tax Asset / (Liability)</b>	(479.80)	(461.67)
<b>Deferred Tax (Liability)/Assets</b>		
Depreciation	38.65	(18.17)
<b>Deferred Tax Assets</b>		
Disallowance under the Income Tax Act, 1961	0.73	0.04
<b>Provision for Deferred Tax Asset / (Liability) (Net)</b>	<b>39.38</b>	<b>(18.13)</b>
<b>Closing Balance of Deferred Tax Asset / (Liability)</b>	<b>(440.42)</b>	<b>(479.80)</b>

#### 5. Employee Benefits

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

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Details of post retirement benefits are as follows:

**1. Defined Benefit Plans**

**I. Expenses recognized in Profit & Loss Account for the year: (₹ in Lacs)**

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Current service cost	9.74	8.45	2.05	1.06
Interest Cost	8.16	6.56	1.48	1.48
Expected return on plan assets	(4.47)	(3.50)	—	—
Net actuarial losses (gains)	2.47	(10.11)	0.14	(0.84)
<b>Total</b>	<b>15.90</b>	<b>21.62</b>	<b>3.67</b>	<b>1.70</b>

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

Defined benefit obligation at beginning of the year	97.79	80.01	17.76	18.05
Service cost	9.74	8.45	2.05	1.06
Interest cost	8.16	6.56	1.48	1.48
Actuarial losses (gains)	2.59	10.56	0.14	(0.84)
Losses (gains) on curtailments	—	—	—	—
Liabilities extinguished on settlements	—	—	—	—
Benefits paid	(6.61)	(7.89)	(1.50)	(2.00)
Defined benefit obligation at year end of the year	111.67	97.79	19.93	17.76

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

Fair value of plan assets as at April 1, 2010	45.11	32.62	—	—
Expected return on plan assets	4.47	3.50	—	—
Actuarial gains and (losses)	0.12	0.54	—	2.00
Contributions by employer	9.56	16.33	—	—
Benefits paid	(6.61)	(7.89)	—	(2.00)
Fair value of plan assets at year end	52.65	45.11	—	—

**IV. Investment details:**

Particulars	% invested as at March 31, 2011	% invested as at March 31, 2010
Insurance Company	100%	100%

**V. Actuarial Assumptions:**

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (p.a.)	8.34%	8.20%	8.34%	8.20%
Expected Return on plan assets (p.a.)	9.15%	9.00%	—	9.00%
Rate of escalation in salary (p.a.)	6.00%	6.00%	6.00%	6.00%

**2. Defined Contribution Plans.**

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

Particulars	2010-11	2009-10
Employer's Contribution to Provident Fund	27.65	25.74
Employers' Contribution to Superannuation Fund	6.38	7.51
Employers' Contribution to ESIC	0.41	0.20

6. In the absence of any information from vendor's 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.

7. Balances of receivables, payables and loans and advances to parties are subject to their confirmations. These balances are therefore, subject to adjustments, if any, as may be required on settlement of these balances with the parties.

**8. Disclosures in respect of assets acquired under lease and hire purchase arrangements:**

The Company has taken vehicles on hire purchase financing and hire purchase installments amounting to ₹ 0.92 Lacs (P.Y. ₹3.03 Lacs) have been charged to the profit and loss account. The future minimum hire purchase installments are as under:

(₹ in Lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
Not later than 1 year	0.40	20.10
Later than 1 year but not later than 5 years.	—	0.40

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 17.20 Lacs (P.Y. ₹21.00 Lacs) have been charged to the profit and loss account. The future minimum hire purchase installments are as under:

(₹ in Lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
Not later than 1 year	5.40	13.81
Later than 1 year but not later than 5 years.	—	0.50

9. The profit and loss account includes:

a) **Auditors' Remuneration** (₹ in Lacs)

Particulars	2010-11	2009-10
Audit fees	4.50	4.30
Tax Audit Fees	0.50	0.50
Certification fees	0.65	0.20
<b>Total</b>	<b>5.65</b>	<b>5.00</b>

b) **Directors' Remuneration** (₹ in Lacs)

Particulars	2010-11	2009-10
Salaries and allowances	79.15	88.53
Contribution to PF & other funds	13.90	8.57
<b>Total</b>	<b>93.05</b>	<b>97.10</b>

10. **Earnings Per Share (EPS)**

Particulars	2010-11	2009-10
<b>Basic and Diluted</b>		
Profit attributable to equity shareholders (₹ in Lacs)	333.76	512.60
Nominal Value of equity share ₹	10	10
Weighted average number of ordinary equity shares for Basic EPS Nos.	61,49,800	61,49,800
Basic and Diluted EPS ₹	5.43	8.34

11. **Related Party Disclosures:**

a) **Related parties and their relationship**

Name of the related party	Relationship
Mr. Ambar J. Patel	Key Management Personnel
Mr. Roshan Shah	Key Management Personnel
Mr. G.V. Bhavsar	Key Management Personnel
Mr. Narendra Patil	Individuals exercising significant influence over the enterprise
Mr. Atul Vinchhi	Individuals exercising significant influence over the enterprise
Dr. B. V. Patel	Individuals exercising significant influence over the enterprise
Mr. Vitthalaldas H. Patel	Individuals exercising significant influence over the enterprise
Mr. Vishnu V. Patel	Individuals exercising significant influence over the enterprise
Shilp Ultra-tech Pvt Ltd.	Entity controlled by Key Management Personnel
Stylus Infrastructure Pvt Ltd.	Entity controlled by Key Management Personnel
Carol Enterprise	Entity controlled by Key Management Personnel
Carol	Entity controlled by Key Management Personnel
Mr. Deval A. Patel	Relative of Key Management Personnel

b) **Transactions with related parties**

(Figures in Brackets represent previous year numbers)

(₹ in Lacs)

Nature of Transactions	Associates / Joint Ventures	Key Management Personnel and their relatives	Entities controlled by Key Management Personnel	Individuals exercising significant influence over the enterprise	Total
Sale of goods	— (1.52)	— (-)	0.25 (-)	— (-)	0.25 (1.52)
Rent Paid	— (0.10)	0.90 (-)	— (-)	— (-)	0.90 (0.10)
Rent Received	— (-)	— (-)	0.90 (0.90)	— (-)	0.90 (0.90)
Services received	— (-)	— (-)	35.23 (26.76)	— (-)	35.23 (26.76)
Interest Paid / Provided	— (-)	4.87 (9.43)	11.11 (13.81)	9.17 (10.14)	25.15 (33.38)
Acceptance of Fixed Deposit	— (-)	— (5.00)	15.00 (140.00)	3.75 (50.00)	18.75 (195.00)
Repayments of Deposits	— (-)	47.40 (36.30)	40.00 (141.50)	35.25 (11.55)	122.65 (189.35)
Dividends paid	— (-)	10.28 (11.92)	— (-)	15.83 (7.94)	26.11 (19.86)
Remuneration	— (-)	95.56 (98.65)	— (-)	73.80 (76.60)	169.36 (175.25)
Outstanding balance (Cr.)	— (-)	49.66 (54.50)	118.24 (134.50)	91.34 (97.00)	259.24 (286.00)

c) **Disclosure in respect of material transactions with related parties** (₹ in Lacs)

Name of the related party	2010-11	2009-10
<b>Services rendered</b>		
Shilp Ultratech Private Limited	35.22	26.76
<b>Interest Paid</b>		
Dr. Baldev Patel	5.84	6.23
Mr. Narendra R. Patil	0.70	3.30
Stylus Infrastructure Private Ltd.	10.07	7.28
Mr. Roshan Shah	0.63	4.55
Mr. Vishnu Patel	2.15	0.17
<b>Acceptance of Fixed Deposit</b>		
Dr. Baldev Patel	0.00	50.00
Stylus Infrastructure Private Ltd.	15.00	135.00
<b>Repayment of Deposits</b>		
Mr. Narendra R. Patil	10.25	21.50
Stylus Infrastructure Private Ltd.	35.50	98.00
<b>Dividends paid</b>		
Mr. Ambar J. Patel	3.05	2.44
Mr. Atul Vinchhi	3.62	2.90
Mr. G.V. Bhavsar	3.96	3.17
Dr. B. V. Patel	7.00	5.60

(₹ in Lacs)

Name of the related party	2010-11	2009-10
<b>Remuneration</b>		
Mr. Ambar J. Patel	31.25	32.51
Mr. Roshan Shah	30.90	32.30
Mr. Narendra Patil	30.90	32.30
Mr. Atul Vinchhi	30.90	32.30
Mr. G.V. Bhavsar	30.90	32.30
<b>Outstanding balance (Cr.)</b>		
Mr. Vishnu V. Patel	24.16	24.00
Mr. Narendra Patil	7.30	13.50
Dr. Baldev Patel	56.66	63.00
Stylus Infrastructure Private Ltd.	107.55	120.00

## 12. Segment Reporting

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

The segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amount allocated on a reasonable basis by management. Disclosures required under AS 17 – Segment Reporting are as under:

(Figures in brackets represent previous year numbers)

(₹ in lacs)

Particulars	Engraved Copper Roller	Wind Mill	Others	Total
Sales	4254.90 (4044.29)	65.55 (71.17)	744.15 (668.53)	5064.60 (4783.99)
Less: Inter segment sales	— (-)	65.55 (71.17)	— (-)	65.55 (71.17)
Segment revenue	4254.90 (4044.29)	— (-)	744.15 (668.53)	4999.05 (4712.82)
Segment results	588.31 (887.01)	45.29 (51.11)	63.76 (77.26)	697.36 (1015.38)
Capital Employed	2786.91 (2398.29)	297.48 (281.99)	416.74 (526.48)	3501.13 (3206.76)

## 13. Financial and derivative instruments

- i. For hedging currency and interest related risks

(₹ in lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
Currency Swap	—	—
Forward Contract	—	23.70
<b>Total</b>	<b>—</b>	<b>23.70</b>

- ii. All derivative and financial instruments acquired by the Company are for hedging purposes only.
- iii. The year end foreign currency exposures that have not been hedged by any derivative instrument or otherwise are as under:

(₹ in lacs)

Particulars	Foreign Currency	Indian Currency Equivalent
Amounts receivable in foreign currency	USD 0.05 EUR 0.12	2.04 7.88
Amounts payable in foreign currency	CHF 0.53 EUR 1.05 USD 0.06	25.91 66.48 2.85
Amounts payable in foreign currency against Foreign Loan	USD 0.66	29.38
Amounts Payable in foreign currency against Foreign Loan Interest	USD 0.01	0.44

14. Previous year's figures have been regrouped / rearranged wherever necessary.

15. Pursuant to the resolution passed by the Board of Directors in their meeting held on 3rd November, 2010, the Company has entered into Joint Venture Agreement on 18th April, 2011 with Re S.p.A. Controlli Industriali, an Italy based Company and incorporated a Joint Venture Company in the name of "ReShilp Equipments (India) Private Limited" with the main object to manufacture all types of Web Control & Reel Management systems and other related plants and machineries. The Company holds 51% of stake in the newly incorporated Joint Venture Company.

16. **Additional information pursuant to the provisions of Clause 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956**

Pursuant to the notification of Ministry of Corporate Affairs dated 08th February, 2011 and as approved by Board of Directors, the Company has availed the exemption under Para 3(i)(a) and 3(ii)(a) of Part II of Schedule VI of Companies Act, 1956.

- a) **Particulars in respect of goods manufactured, licensed and installed capacities**

Product	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		10-11	09-10	10-11	09-10	10-11	09-10
Engraved Copper Rollers	1000 Sq.mm	N.A.	N.A.	27200000	27200000	19678565	19137939
Engraved Screen	Nos.	N.A.	N.A.	3500	3500	80	105
Ink Proofing Machine	Nos.	N.A.	N.A.	135	135	9	0
Web Guiding, Web Monitoring and Controlling System	Nos.	N.A.	N.A.	550	550	431	273
Printing Plates	Sq. Cm.	N.A.	N.A.	62593300	62593300	17815195	18609374

**b) Stock of finished goods and sales**  
Engraved Copper Rollers

Particulars	2010-11		2009-10	
	Quantity (TMM)	Amount (₹ in lacs)	Quantity (TMM)	Amount (₹ in Lacs)
Opening stock	22040	4.34	61410	16.31
Sales	19685650	4127.33	19177309	4029.34
Closing stock	14955	3.36	22040	4.34

**c) Details for Consumption of Raw Material:**

Item	Unit	2010-11		2009-10	
		Qty	(₹ in Lacs)	Qty	(₹ in Lacs)
M.S Roller	1000 sq. mm.	1515325	141.27	1155715	131.34
M.S. Pipe	Kg	962747	370.29	1003444	374.28
M.S. Plate	Kg	44693	15.82	58676	16.52
Scrap Cylinder	Kg	1822	0.80	17602	2.44
Round Bars	Kg	209923	58.69	217663	57.63
Copper	Kg	85892	365.16	73520	228.18
Others			605.91		448.76
<b>Total</b>			<b>1557.94</b>		<b>1259.15</b>

**d) Consumption Raw Materials (including Packing Material), Stores and Spares**

Particulars	2010-11		2009-10	
	₹ in lacs	%	₹ in lacs	%
<b>Raw Materials</b>				
Imported	546.16	33.76	429.61	32.78
Indigenous	1071.72	66.24	880.93	67.22
<b>Total</b>	<b>1617.88</b>	<b>100.00</b>	<b>1310.54</b>	<b>100.00</b>
<b>Stores &amp; Spares</b>				
Imported	154.33	46.40	151.98	45.47
Indigenous	178.28	53.60	182.26	54.53
<b>Total</b>	<b>332.61</b>	<b>100.00</b>	<b>334.24</b>	<b>100.00</b>

**e) CIF Value of Import (₹ in lacs)**

Particulars	2010-11	2009-10
Capital Goods	0.00	357.65
Raw Material	457.34	614.80
Trading	83.36	34.51
Stores, Spares & Components	118.12	117.31
<b>Total</b>	<b>658.82</b>	<b>1124.27</b>

**f) Earnings in foreign currency (₹ in lacs)**

Particulars	2010-11	2009-10
F.O.B. Value – Sales	24.61	44.74

**g) Expenditure in foreign currency (₹ in lacs)**

Particulars	2010-11	2009-10
Director Foreign Traveling	0.03	4.05
Staff Foreign travelling	0.73	2.56
Bank Charges	0.00	0.10
Exhibition	2.68	—
Repairs and maintenance	58.00	—
<b>Total</b>	<b>61.43</b>	<b>6.71</b>

**h) Remittance on account of Dividend to Non-Resident Shareholders :**
**(i) Remitted in Foreign Currency**

Particulars	2010-11	2009-10
Year to which Dividend relates	Year Ended March 31,2010	Year Ended March 31,2009
Amount of Dividend remitted (₹ In Lacs)	4.25	3.40
Number of Non-Resident Shareholders to whom remittance was made	30	33
Number of Shares held on which Dividend was due and remitted	339,800	339,800
Face Value of each share (₹)	10	10

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

Particulars	2010-11	2009-10
Year to which Dividend relates	Year Ended March 31,2010	Year Ended March 31,2009
Amount of Dividend remitted (₹ In Lacs)	16.16	12.96
Number of Non-Resident Shareholders to whom remittance was made	28	27
Number of Shares held on which Dividend was due and remitted	1,292,676	1,295,618
Face Value of each share (₹)	10	10

**Signatures to Schedules 1 to 16**

For and on behalf of the Board

**Ambar J. Patel**  
Managing Director

**Roshan H. Shah**  
Executive Director

**Gajanan V. Bhavsar**  
Executive Director

**Pragnesh Darji**  
Company Secretary

Place : Rakanpur  
Date : 14-05-2011

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

(₹ in lacs)

	2010-11	2009-10
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax as per the Profit and Loss Account	465.95	761.88
<b>Adjustments for :</b>		
Depreciation	632.04	574.06
Bad debts	71.96	99.38
Interest and Financial charges	231.41	253.50
Dividend Income	(2.78)	(5.24)
Profit on Sale of Fixed Assets	(15.57)	(2.17)
Unrealised (Gain)/Loss on Foreign Exchange Rate Fluctuation	0.98	(63.73)
Share in Profit of Partnership firm	—	(0.51)
Provision/(Write back of provision) for diminution in value of investments	—	(17.71)
Discount on sales	12.25	25.84
Provision for Leave and Gratuity	8.52	5.00
	938.81	868.42
Operating profit before working capital changes	1,404.76	1,630.30
<b>Adjustments for :</b>		
Trade Receivables	(184.02)	(279.82)
Inventories	(24.97)	(189.45)
Loans and Advances	145.67	3.04
Trade Payables and Provisions	(119.37)	13.08
	(182.69)	(453.15)
Cash Generated From Operations	1,222.07	1,177.15
Taxes paid	157.94	182.54
<b>Net Cash From Operating Activities</b>	<b>1,064.13</b>	<b>994.61</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(290.72)	(1,060.34)
Sale of Fixed Assets	55.48	5.68
Purchase of Investments	(1.75)	(2.50)
Sale of Long term Investments	3.15	55.56
Investment in partnership firm	—	(25.00)
Sale of investment in partnership firm	—	303.20
Share of profit in Partnership firm	—	0.51
Dividend Received	2.78	5.24
<b>Net Cash used in Investing Activities</b>	<b>(231.06)</b>	<b>(717.65)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from / (Repayment of) Long Term Loans	(381.49)	261.45
Inter-Corporate Deposits taken / (given/ repaid)	(128.67)	(185.80)
Interest and financial charges	(231.41)	(253.50)
Dividend Paid	(76.87)	(61.50)
Dividend Tax Paid	(13.07)	(10.45)
<b>Net Cash used in Financing Activities</b>	<b>(831.51)</b>	<b>(249.80)</b>
<b>Net changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1.56</b>	<b>27.16</b>
Cash and Cash Equivalents at the beginning of the year {Refer Note 1}	189.67	162.61
Cash and Cash Equivalents at the end of the year {Refer Note 1}	191.23	189.77

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India

(₹ in lacs)

	2010-11	2009-10
Note 1 : Cash and Cash Equivalents included in the cash flow statement comprise balance sheet amounts		
Cash and Bank Balances		
Cash on hand	3.36	5.11
Balances with Scheduled Banks		
In Current Accounts	123.06	119.92
In Margin Accounts	1.74	1.74
In Fixed Deposit Accounts	63.13	62.90
	191.29	189.67
Unrealised (Gain)/Loss of foreign exchange fluctuation	(0.06)	0.10
Cash and cash equivalents as restated	191.23	189.77

In terms of our report attached

For and on behalf of the Board

**Deloitte Haskins & Sells**Chartered Accountants  
(Registration No.117365W)**Gaurav J. Shah**Partner  
(Membership No.35701)  
Place : Ahmedabad  
Date : 14-05-2011**Ambar J. Patel**

Managing Director

**Gajanan V. Bhavsar**

Executive Director

Place : Rakanpur

Date : 14-05-2011

**Roshan H. Shah**

Executive Director

**Pragnesh Darji**

Company Secretary

## SCHEDULE

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>I Registration Details :</b>	
Registration No.	20552
State Code	04
Balance Sheet Date	31st March 2011
<b>II Capital Raised During the Year</b>	<b>(₹ In Thousand)</b>
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III Position of Mobilisation and Deployment of Funds:</b>	<b>(₹ In Thousand)</b>
Total Liabilities	547890
Total Assets	547890
<b>Sources of Funds:</b>	
Paid-up Capital	61498
Reserves & Surplus	235639
Secured Loans	148363
Unsecured Loans	58348
Deferred Tax Liabilities (Net)	44042
<b>Application of Funds:</b>	
Net Fixed Assets	402401
Investments	2738
Net Current Assets	142751
<b>IV Performance of the Company: (₹ in Thousand except Dividend rate &amp; EPS)</b>	
Turnover (including other income)	507727
Total Expenditure (including miscellaneous expenditure Written off)	461132
Profit before tax	46595
Profit after tax	33376
Dividend Rate (%)	12.50%
EPS (IN RUPEES)BEFORE EXCEPTIONAL ITEM	5.43
EPS (IN RUPEES)AFTER EXCEPTIONAL ITEM	5.43
<b>V Generic Name of the Principal Products, Service of the Company (As per Monetary terms)</b>	
Product Description	Item Code No. (ITC CODE)
GRAVURED ROLLER	84425003
ENGRAVED SCREENS	84425003
INK PROOFING MACHINE	84425003



## ELECTRONIC CLEARING SERVICE MANDATE FORM

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

FORM FOR ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND

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

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

Date from which the mandate should be effective : \_\_\_\_\_

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

PLACE : \_\_\_\_\_

DATE : \_\_\_\_\_

\_\_\_\_\_  
(Signature of Sole/ First holder)

**SHILP GRAVURES LIMITED**

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

**ANNUAL GENERAL MEETING  
PROXY FORM**

I/ We \_\_\_\_\_ of \_\_\_\_\_ being a member/ members of SHILP GRAVURES LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/ her \_\_\_\_\_ of \_\_\_\_\_ as my / our representative to attend and vote for me/ us on my/ our behalf at the 18th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company on Saturday 06th August, 2011 at 05.00 p.m. and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Ledger Folio No. \_\_\_\_\_

DP ID\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

No. of Shares held \_\_\_\_\_

\* Applicable for the members holding Shares in electronic form.

Affix 1/- Rupee Revenue Stamp
---

(Signature of the Member)

**Note:**

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

**SHILP GRAVURES LIMITED**

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

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

Full name of the Member attending \_\_\_\_\_

(In Block Letters) \_\_\_\_\_

Full name of the Proxy \_\_\_\_\_

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

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company at 5.00 p.m. on Saturday, 06th August, 2011 at the registered office of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Ledger Folio No. \_\_\_\_\_

DP ID\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

No. of Shares held \_\_\_\_\_

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

\* Applicable for the members holding Shares in electronic form.

Book-Post

To,



*If undelivered, Please return to :*  
**REGISTRAR & SHARE TRANSFER AGENT :**  
**Sharepro Services (India) Pvt. Ltd.**  
416 - 420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram,  
Ellisbridge, Ahmedabad 380 006