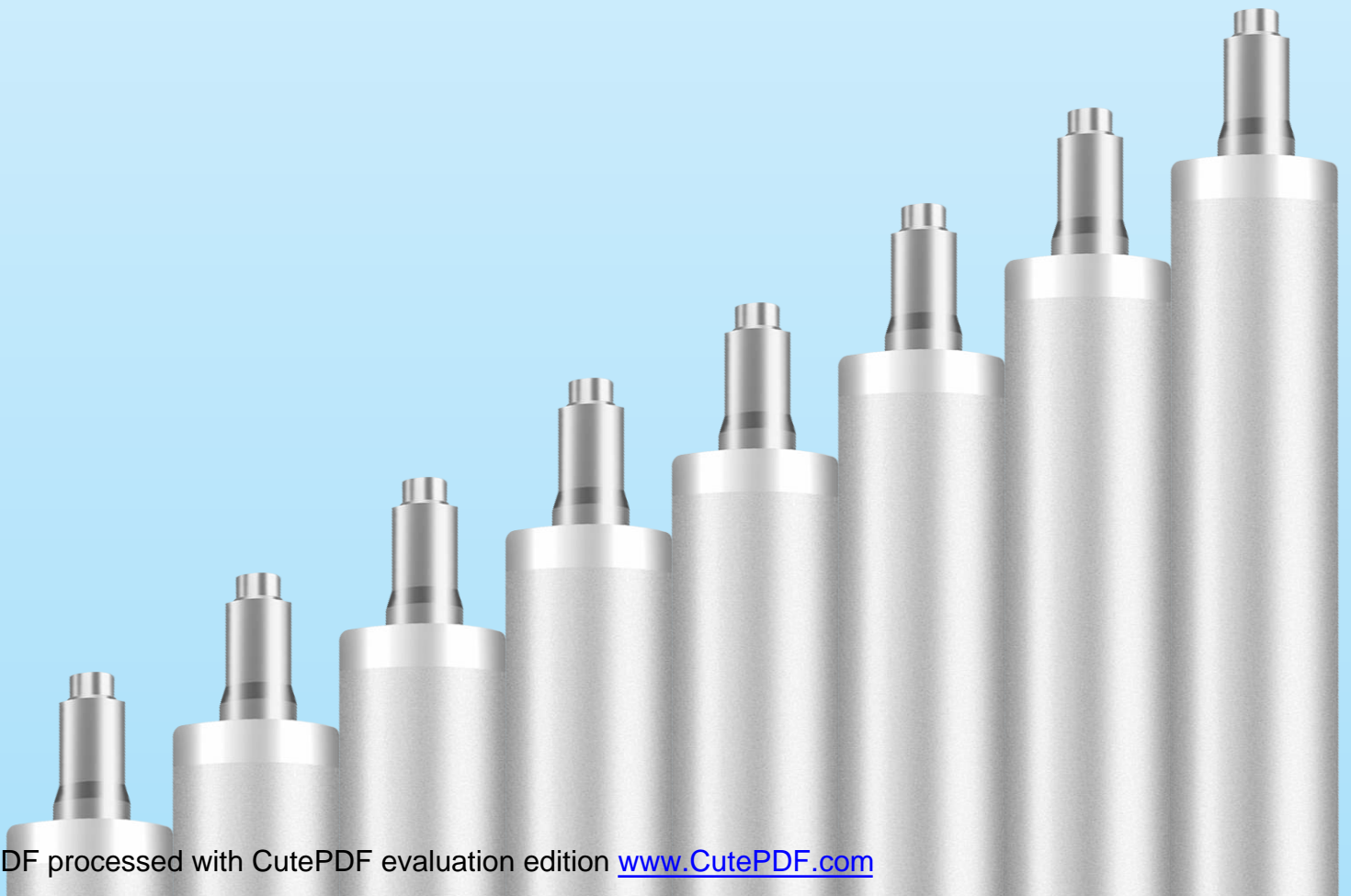


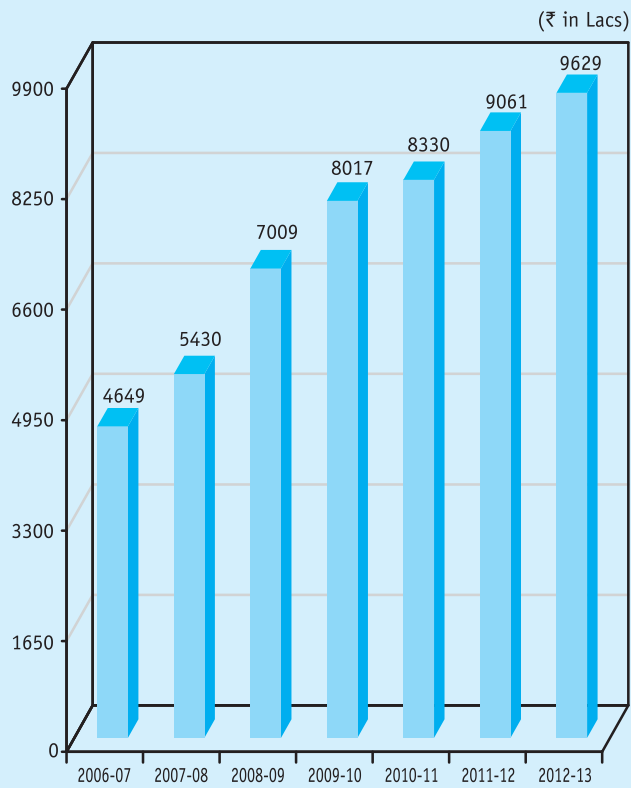


SHILP™
GRAVURES
LIMITED

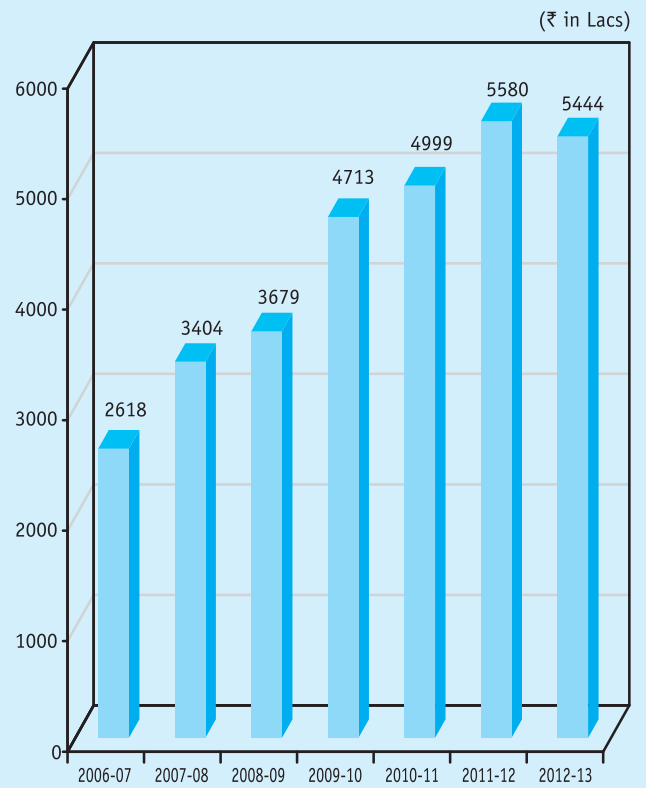
20TH ANNUAL REPORT 2012-2013



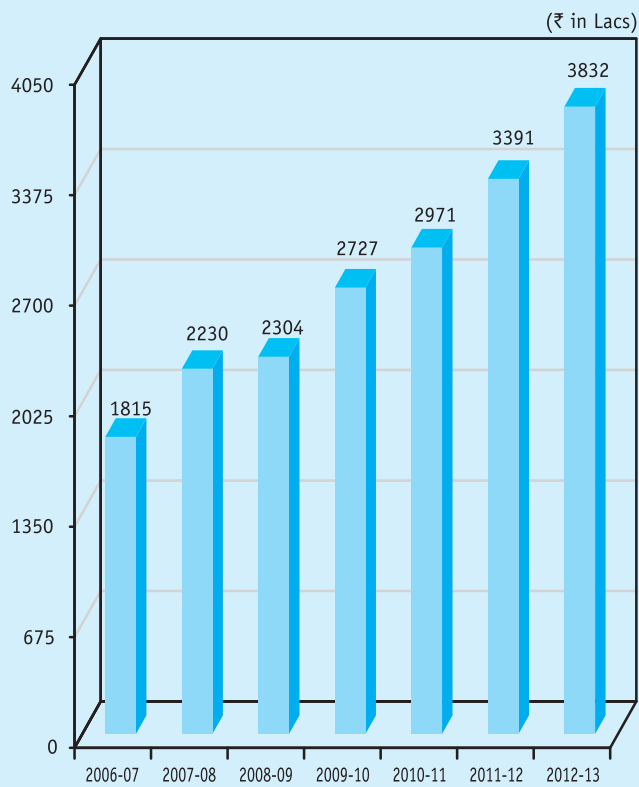
GROSS ASSETS



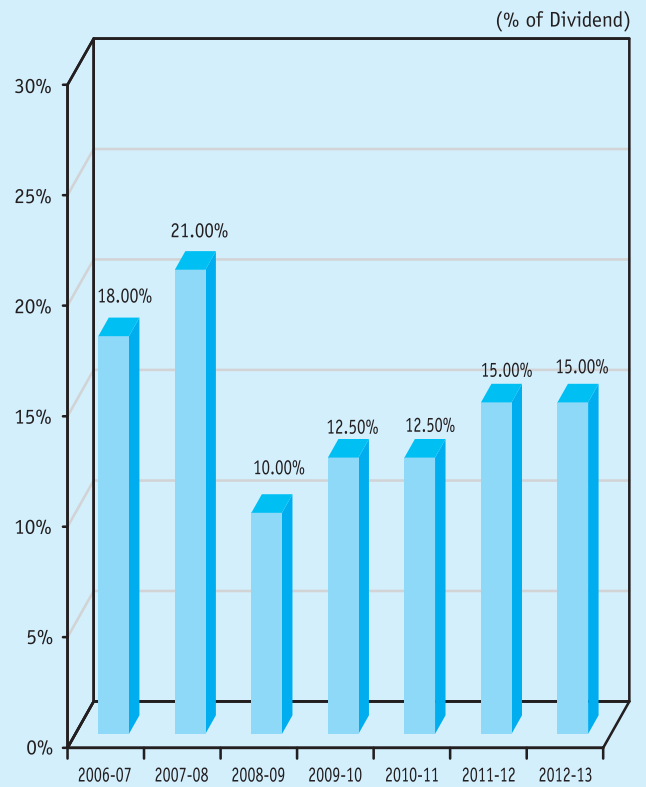
TURNOVER



SHAREHOLDER'S FUND



DIVIDEND DISTRIBUTION



CORPORATE INFORMATION

BOARD OF DIRECTORS

Vithaldas H. Patel	<i>Non - Executive Director & 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>
Shailesh C. Desai	<i>Independent Director</i>
Chinubhai R. Shah	<i>Independent Director</i>
Nipam R. Shah	<i>Independent Director</i>
Dr. Navin P. Patel	<i>Independent Director</i>
Rajendra S. Shah	<i>Independent Director</i>
Jainand G. Vyas	<i>Independent Director</i>

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

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

ENGINEERING DIVISION

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

REGISTRAR & SHARE TRANSFER AGENT

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

CHIEF OPERATING OFFICER

Atul M. Vinchhi

CHIEF TECHNICAL OFFICER

Narendra R. Patil

CHIEF FINANCIAL OFFICER

Chandraprakash G. Devpura

COMPANY SECRETARY

Pragnesh S. Darji

AUDITORS

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

BANKERS

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

CONTENTS	Page No.
Notice	02-03
Directors' Report	04-07
Management Discussion & Analysis	08
Report on Corporate Governance	10-18
Auditors' Report	19-21
Standalone Financial Statement	22-44
Statement pursuant to Section 212	45
Consolidated Auditors' Report	46
Consolidated Financial Statement	47-69

NOTICE

NOTICE is hereby given that, the TWENTIETH ANNUAL GENERAL MEETING of the members of SHILP GRAVURES LIMITED will be held on Wednesday, the **14th day of August, 2013** at 05.00 p.m. at the Registered Office of the Company at 778/6, Pramukh Industrial Estate, Village Rakanpur, Taluka Kalol, Dist. Gandhinagar, Gujarat to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone as well as consolidated Balance Sheet of the Company as at 31st March, 2013 and Statement of Profit & Loss 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 Dr. Navin P. Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jainand G. Vyas, 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

Place : Rakanpur
Date : 4th May, 2013

Pragnesh Darji
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 07th August, 2013 to Wednesday, 14th August, 2013 (both days inclusive) for the purpose of Dividend, if declared, at the Annual General Meeting.
3. Subject to provisions of Section 206A of the Companies Act, 1956, dividend if declared at the meeting, will be payable on or after 14th day of August, 2013 to those members whose names appear on the Register of Members as on 06th day of August, 2013.
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, made in the Bank account details.
(c) Members holding shares in physical form are requested to send their Bank Account Particulars for printing on Dividend Instruments to ensure that there is no fraudulent encashment to Registrar and Share Transfer Agents.
(d) An ECS Mandate form is annexed at the end of annual report. This may be filled in and submitted at an earliest date so that the Company can extend the facility for payment of dividend.
(e) All those Shareholders who are holding shares in physical mode are requested to dematerialize their shares for hassle free record and smooth transactions of shares.

- (f) In continuation with Green Initiative by Ministry of Corporate Affairs, all shareholders holding shares in electronic mode are requested to update their Email Ids with respective Depository Participants and those who held the shares in physical mode may update their Email Ids by writing a letter addressing Company Secretary. This will help us in speedy communication with all the shareholders and saving the Environment.
6. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, amount of dividend for the year ended on 31st March, 2005, were deposited with Investors' Education and Protection Fund (IEPF) Account of the Central Government on 18th December, 2012.
- Shareholders, who have not encashed Dividend Instruments for the year ended on 31st March, 2006, are requested to make the claims to the Company Secretary at the Registered Office of the Company on or before **28th September, 2013** 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 14th August, 2013 (Pursuant to Clause 49 of the Listing Agreement):

Name	Dr. Navin P. Patel	Mr. Jainand G. Vyas
Date of Birth	6 th February, 1954	13 th November, 1953
Date of Appointment	2 nd December, 2003	8 th August, 2009
Qualifications	MBBS, MD (Pediatrician)	B.Com, LLB, FCA
Expertise in specific Functional Area	Dr. Navin Patel is a senior practicing pediatrician. He is also providing honorary services to many hospitals including Sterling Hospital and has featured in various government campaigns and programmes	Mr. Jainand G. Vyas (C.A.) has rich experience in the fields of accounts, finance, audit, taxation, etc. He has worked with reputed companies like Gruh Finance Limited, Nirma Limited and presently working with Intas Pharmaceuticals Limited
Directorships held in other public Companies(Excluding foreign and private Companies)	Nil	Nil
Committee Memberships/ Chairmanship in other public Companies	Nil	Nil
Shareholding of Non – Executive Directors	Nil	1000 Equity Shares of Rs. 10/- each.
Relationships between directors inter-se	Not Applicable	Not Applicable

DIRECTORS' REPORT:

Your Directors have pleasure in presenting the Twentieth Director's Report along with the Audited Accounts of the Company for the year ended on 31st March, 2013.

1. FINANCIAL RESULTS:

(a) Standalone Financial Results of Shilp Gravures Limited

(₹ in Lacs)

Particulars	For the year ended on 31 st March, 2013	For the year ended on 31 st March, 2012
Revenue from Operations and Other Income	5482.65	5606.36
Profit Before Depreciation and Amortisation expenses, Finance Cost and Tax	1570.98	1518.37
Less : Depreciation and Amortisation expenses	622.12	579.32
Finance Cost	186.84	200.65
Profit before Tax	762.02	738.40
Less : Current tax expense for current year	179.93	165.56
Deferred tax	32.96	45.90
Net Profit after Tax	549.13	526.94
Balance Brought Forward	1826.36	1606.63
Amount available for appropriations	2375.49	2133.57
Appropriation:		
General Reserves	300.00	200.00
Proposed Dividend	92.25	92.25
Corporate Dividend Tax	15.68	14.96
Balance Carried to Balance Sheet	1967.56	1826.36

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

(₹ in Lacs)

Particulars	For the year ended on 31 st March, 2013	For the year ended on 31 st March, 2012
Revenue from Operations and Other Income	6074.94	5728.93
Profit Before Depreciation and Amortisation expenses, Finance Cost and Tax	1578.92	1524.64
Less : Depreciation and Amortisation expenses	623.85	580.02
Finance Cost	187.57	200.83
Profit before Tax	767.50	743.79
Less : Current tax expense for current year	181.20	169.32
Deferred tax	32.67	46.49
Net Profit after Tax	553.63	527.98
Minority Interest	2.30	3.34
Profit Attributable to Shareholders of the Company	551.33	524.64
Balance Brought Forward	1824.06	1606.63
Amount available for appropriations	2375.39	2131.27
Appropriation:		
General Reserves	300.00	200.00
Proposed Dividend	92.25	92.25
Corporate Dividend Tax	15.68	14.96
Balance Carried to Balance Sheet	1967.45	1824.06

2. RESULTS OF OPERATIONS:

Standalone Accounts

- Total Revenue during the financial year 2012 - 13 decreased to 5482.65 Lacs from ₹ 5606.36 Lacs during the previous year.
- Profit after Tax was ₹ 549.13 Lacs during the financial year 2012-13 as compared to ₹ 526.94 Lacs during the previous year, an increase of 4.21%.
- Earnings Per Share was ₹ 8.93 during the Financial year 2012-13 as compared to ₹ 8.57 during the previous year, as increase of 4.20 %

Consolidated Accounts

- Consolidated total Revenue during the Financial Year 2012-13 comes to ₹ 6074.94 Lacs as compared to ₹ 5728.93 Lacs in Previous Year.

3. APPROPRIATIONS & RESERVES

Dividend

Taking into consideration the profits for the financial year 2012-13 and a positive outlook for the future, the Board of Directors ("the Board") is pleased to recommend a final dividend of ₹ 1.50/- per share, being 15% on the par value of ₹ 10/- per share on 6,149,800 Equity Shares of the Company to be appropriated from the profits of the Company for the financial year 2012-13. The proposed dividend would absorb ₹ 107.92 lacs including corporate dividend tax.

Transfer to Reserves

It is proposed to transfer a sum of ₹ 300.00 Lacs to the General Reserve being 54.63% of the Current year's profit in accordance with Companies (transfer of profits to Reserves) Rules, 1975.

4. SUBSIDIARY

As on 31st March, 2013, Company has only one Subsidiary in the name of "ReShilp Equipments (India) Private Limited". The Board of Directors of the Company regularly reviews the affairs of this Subsidiary.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet and Statement of Profit and Loss (referred to as Financial Statements) of our Subsidiary. The Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/2011 dated 08th February, 2011 has provided an exemption to Companies from complying with Section 212, provided such Companies Publish the audited consolidated financial statement in the Annual Report. Accordingly, the Annual Report 2012-13 does not contain the Financial Statements of our Subsidiary. As directed under said circular, information in aggregate in respect of subsidiary i.e. (a) Capital, (b) Reserves, (c), Total Assets, (d) Total Liabilities, (e) Details of Investments (except in case of Subsidiaries), (f) Turnover, (g) Profit before Taxation and (j) Proposed Dividend for subsidiary, if any, has been disclosed in brief abstract forming part of the Consolidated Balance Sheet.

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

5. JOINT VENTURE

Your company has only one Joint Venture Agreement and based on the same, incorporated a new Joint Venture Company (hereinafter called as "JVC") in the name of "HMSU Rollers (India) Private Limited" with an object of manufacturing all types of Rubber Rollers and Poly Urethane Rollers used for printing, converting, textiles, steel, aluminium, copper, polymers, paper and packaging industries. Your Company holds 20% stake in the New Joint Venture Company. The factory building has been set up for new JVC and it has recently commensurate with its Commercial Production.

6. DEPOSITS:

During the year under review, the Company has not accepted public deposits under section 58A and 58AA of the Companies Act, 1956.

7. INSURANCE:

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

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

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

9. PARTICULARS OF EMPLOYEES:

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

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

11. CORPORATE GOVERNANCE REPORT:

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

12. DIRECTORS:

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company, Dr. Navin P. Patel and Mr. Jainand G. Vyas 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 Dr. Navin P. Patel and Mr. Jainand G. Vyas along with their brief details.

13. AUDITORS:

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

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

14. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the accounting policies have been applied consistently and reasonable and prudent estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-2013 and the profit of the Company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Annual Accounts have been prepared on a 'going concern basis'.

15. COST RECORDS AND COST AUDITORS:

In terms of requirement of the Companies (Cost Accounting Records) Rules, 2011, your Company is maintaining prescribed cost records and the Compliance Report along with the prescribed annexure thereon will be filed with the Central Government within prescribed time. Further vide cost order dated: November 06, 2012 issued by Cost Audit Branch, Ministry of Corporate Affairs, the Company required to get its cost records audited from financial year 2013 onwards and therefore the Company has appointed M/s. Dalwadi and Associates, Cost Accountants (Firm Registration No. 00338) as its Cost Auditors to audit the cost records of the Company for the financial year 2013.

16. ACKNOWLEDGMENTS:

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

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

On Behalf of the Board of Directors
of Shilp Gravures Limited

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

Place : Rakanpur
Date : 4th May, 2013

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 2013.

A. CONSERVATION OF ENERGY:

1) Energy conservation measures taken:

- i) On account of energy audit carried out by recognized agency in the previous years and due to efforts of internal staff, Company has been benefited in the cost of consumption of Electricity units of 2012-13 as against 2011-12.
- ii) The Company has installed new Wind Mill during the year with a capacity of 0.75 MW in the state of Gujarat for captive consumption of units generated.
- 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, the management and employees have made their best efforts in reducing the conservation of energy.

B. RESEARCH & DEVELOPMENT (R&D):

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars regarding Foreign Exchange Earnings and Outgo appear in Note 39 & 40 in the Notes to Financial Statements.

**On Behalf of the Board of Directors
of Shilp Gravures Limited**

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

Place : Rakanpur
Date : 4th May, 2013

ECONOMY OVERVIEW:

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

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

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

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

OPPORTUNITY:

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

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

RISKS AND CONCERNS:

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

OUR RESPONSE:

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS:

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

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

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

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

RISK MANAGEMENT REVIEW:

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

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

The Board undertakes a periodic review of risks.

OUTLOOK:

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

INTERNAL CONTROLS:

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

CAUTIONARY STATEMENT:

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

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

2. BOARD OF DIRECTORS:

(a) Composition of Board of Directors:

Shilp Gravures Limited has an optimum combination of executive and non-executive directors on its Board. As at 31st March, 2013, the Company's Board of Directors comprised of 10 (Ten) Directors, with a Managing Director, 2 (Two) Whole-time Directors, 2 (Two) Non - Executive Directors (including one Professional Director) and 5 (Five) Independent Directors. The Chairman of the Company is a Non-Executive Director. Hence, the composition of the Board is in conformity with Clause 49 of the Listing Agreement.

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 28th April, 2012, 04th August, 2012, 05th November, 2012 and 07th February, 2013. The Company's last Annual General Meeting was held on 04th August, 2012. The maximum time gap between 2 Board meetings did not exceed more than 4 months as prescribed under the Listing agreement.

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

The Composition of the Board, attendance at the Meetings of Board of Directors held during the year and at the last Annual General Meeting (AGM), number of Directorships and Memberships of Committees as on 31st March, 2013 is as follows:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Ambar Patel	MD	4/4	Yes	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. Nipam R. Shah	NED (P)	4/4	Yes	Nil	Nil	Nil
Mr. Shailesh Desai	NED (I)	4/4	Yes	Nil	Nil	Nil
Mr. Chinubhai Shah	NED (I)	4/4	Yes	13	5	3
Mr. Rajendra Shah	NED (I)	1/4	Yes	4	2	2
Dr. Navin Patel	NED (I)	4/4	Yes	Nil	Nil	Nil
Mr. Jainand Vyas	NED (I)	4/4	Yes	Nil	Nil	Nil

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

Other Directorships 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 Committee and Shareholders'/ Investors' Grievance Committee only.

(c) Details of Directors being re-appointed:

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

3. COMMITTEES OF THE BOARD:

(A) Audit Committee:

I) Composition:

The Audit Committee of the Company comprises of 2 (two) Non- Executive Independent 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 4th August, 2012. 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 28th April, 2012, 04th August, 2012, 05th November, 2012 and 07th February, 2013. 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 broad terms of reference of the Audit Committee include the following as has been mandated in Clause 49 of Listing Agreement and Section 292A of Companies Act, 1956:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- Approval of remuneration to be paid to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Appointment, removal and terms of remuneration of Internal Auditors.
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 2. Changes, if any, in Accounting Policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by Management;
 4. Significant adjustments made in the financial statements arising out of Audit findings;
 5. Compliance with Listing and other Legal requirements relating to the financial statements;
 6. Disclosure of any related party transactions;
 7. Qualifications in the draft Audit Report.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.

- Reviewing with the Management performance of Statutory and Internal Auditors and adequacy of the internal control systems.
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit.
- Discussions with Internal Auditors on any significant findings and follow up thereon.
- Reviewing Internal Audit Reports in relation to internal control weaknesses.
- Reviewing the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors, before the Audit commences, about the nature and scope of Audit as well as Post-Audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors, if any.

The representatives from Finance Department and the representatives of the Statutory Auditors and Internal Auditors are invited to attend the meetings of the Audit Committee from time to time.

(B) Remuneration Committee:

I) Composition:

The Remuneration Committee of the Company is presently composed of 3 (three) members who are all Non- Executive Independent 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 28th April, 2012. Attendance of the members at the meetings is as under:

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

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 Executive Directors as well as Non - Executive Directors Including Pension Rights and any compensation payment.
- To annually review and approve for Executive Directors as well as non – Executive Directors:
 - 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:

The 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 performance

and 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 (₹ in lacs)		
	Mr. Ambar Patel	Mr. Roshan Shah	Mr. G. V. Bhavsar
Salary	23.57	23.28	23.28
Perquisites & Allowances	8.68	8.59	8.59
Retirement Benefits	6.36	6.29	6.29
Total	38.61	38.16	38.16
No. of Shares	243910	133432	316910

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

(ii) Non Executive Directors:

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

Name of Director	Particulars		
	Sitting Fees Paid(₹ In Lacs)	Remuneration(₹ In Lacs)	No. of Shares
Mr. Vithaldas Patel	—	—*	806502
Mr. Shailesh Desai	1.40	—	9000
Dr. Navin Patel	0.60	—	NIL
Mr. Chinubhai Shah	1.30	—	NIL
Mr. Rajendra Shah	0.15	—	NIL
Mr. Jainand Vyas	0.60	—	1000
Mr. Nipam R. Shah	0.60	8.87**	—

* Approval of members of the Company to pay remuneration of ₹ 15.00 Lacs p.a. to Non – Executive Director was obtained in the 19th AGM and accordingly an application was made to Central Government for obtaining the necessary regulatory approvals. However, until the end of the financial year, the application was in process and hence no remuneration was paid.

** Paid as Professional Consultancy Fee.

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

(C) Shareholders' / Investors' Grievance Committee:

I) Composition:

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

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 28th April, 2012. Attendance of the members at the meeting is as under:

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

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

III) Terms of Reference:

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

IV) Investors' Grievances during the year

Status of Complaints received during the year:

Particulars	No. of Complaints pending at the beginning of year	No. of Complaints received during the year	No. of Complaints redressed during the year	No. of Complaints pending at the end of the year
Related to Shares	Nil	Nil	Nil	Nil
Non receipt of Dividend	Nil	1	1	Nil

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

4. INFORMATION RELATING TO ANNUAL GENERAL MEETINGS:

- i) The last three Annual General Meetings were held at 778/6, Pramukh Industrial Estate, Vill. Rakanpur, Tal. Kalol, Dist. Gandhinagar - 382 721

Financial Year	Date of Annual General Meeting	Time
2011-2012	04 th August, 2012	5.00 P.M.
2010-2011	06 th August, 2011	5.00 P.M.
2009-2010	07 th August, 2010	4.00 P.M.

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

Date of Meeting	Resolutions
04 th August, 2012	<ul style="list-style-type: none"> - Appointment of Mr. Nipam R. Shah as Director of the Company. - Re-appointment of Executive Directors Viz. Mr. Ambar Patel (Managing Director), Mr. Roshan H. Shah (Whole - Time Director - Marketing), Mr. G. V. Bhavsar (Whole - Time Director) for the period of 3 years w.e.f. 01.07.2012 and remuneration payable to them. - Approval of Payment of Remuneration to Mr. Vitthaladas H. Patel, Non - Executive Director
06 th August, 2011	Nil
07 th August, 2010	<ul style="list-style-type: none"> - 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.

No Special Resolution was put through Postal Ballot last year.

5. DISCLOSURES:

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

6. DISCLOSURE OF ACCOUNTING TREATMENT:

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

7. CEO/CFO CERTIFICATION:

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

CEO and CFO Certification

To the Board of Directors
Shilp Gravures Limited

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

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year 2012-2013 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For, Shilp Gravures Limited

Mr. Ambar J. Patel

Managing Director

Place : Rakanpur

Date : 04th May, 2013

For, Shilp Gravures Limited

Mr. Chandraprakash Devpura

Chief Financial Officer

Place : Rakanpur

Date : 04th May, 2013

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

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

9. MEANS OF COMMUNICATION:

a) Publication of Quarterly / Half Yearly / Annual Results

The Quarterly / Half Yearly / Annual Results and notices as required under Clause 41 of the Listing Agreement are normally published in the leading daily newspaper "Indian Express" in English and "Financial Express" in local language, i.e. Gujarati editions.

The Quarterly / Half Yearly/ Annual Results of the Company, shareholding pattern, Code of Conduct for Board and Senior Management and the official news releases are posted on the website www.shilpgravures.com.

10. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:

Date and Time : 14th August, 2013 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:

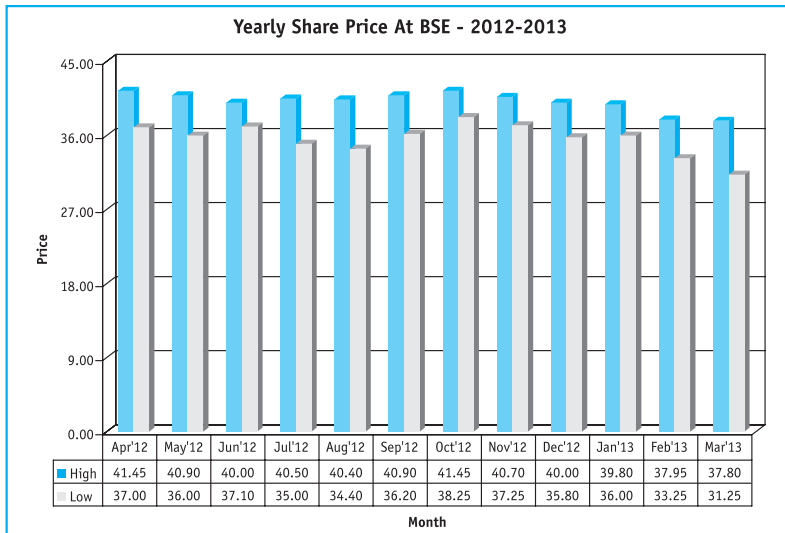
30th June 2013 Beginning of August, 2013

30th September 2013 End of October, 2013

31st December 2013 End of January, 2014

31st March 2014 End of May, 2014

3. **Book Closure** : Wednesday, the 07th August, 2013 to Wednesday, the 14th August, 2013 (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 06th August, 2013.
 - (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 06th August, 2013, in respect of shares held in Demat form.
 - ii) Dividend warrants made payable on 14th August, 2013 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 2013-2014 to the Stock Exchange.
6. **Stock Code/ Symbol:**
Stock Code : 513709
Stock Symbol : SHILGRAVQ
ISIN : INE960A01017
7. **Stock Performance:**



Monthly High- Low on BSE:

Month	High	Low
Apr-12	41.45	37.00
May-12	40.90	36.00
Jun-12	40.00	37.10
Jul-12	40.50	35.00
Aug-12	40.40	34.40
Sep-12	40.90	36.20
Oct-12	41.45	38.25
Nov-12	40.70	37.25
Dec-12	40.00	35.80
Jan-13	39.80	36.00
Feb-13	37.95	33.25
Mar-13	37.80	31.25

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. 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 31st March, 2013:

No of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	4032	88.05	557034	9.06
501 – 1000	213	4.65	176530	2.87
1001 – 2000	119	2.60	180274	2.93
2001 – 3000	68	1.49	172191	2.80
3001 – 4000	22	0.48	78030	1.27
4001 – 5000	16	0.35	74686	1.21
5001 – 10000	49	1.07	358475	5.83
10001 - 20000	25	0.55	354563	5.77
20001 and Above	35	0.76	4198017	68.26
Total	4579	100.00	6149800	100.00

11. Pattern of Shareholding as on 31st March, 2013:

Sr. No.	Category	No. of Shares	(%)
1.	i) Indian Promoters	1787415	29.06
	ii) Foreign Promoters	1812478	29.47
2.	Financial Institutions/Banks	0	0
3.	Body Corporate	117411	1.91
4.	Indian Public	2035848	33.11
5.	NRI	312890	5.09
6.	Independent Directors and Relatives	82377	1.34
7.	Shares in Transit	756	0.01
8.	Others	625	0.01
9.	Total	6149800	100.00

12. Distribution of physical & dematerialized shares on 31st March, 2013:

Total Paid-up & Listed Capital	Physical Holding			Demat Holding		
	No. Of Shares	%	No. Of Shareholders	No. Of Shares	%	No. Of Shareholders
61,49,800 Shares	570410	9.27	1848	5579390	90.73	2731

13. Plant Location:

The Company's plants are located at:

1) Factory & Registered Office:

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

2) Engineering Division:

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

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

14. Address of Correspondence:

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at the address mentioned para 8 above.

Shareholders may also contact Company Secretary at the Registered Office of the Company for any assistance

Registered Office

Shilp Gravures Limited,
778/6 Pramukh Industrial Estate, Sola – Santej Road, Village Rakanpur, Tal. Kalol, Dist. Gandhinagar – 382 721, Gujarat, India
Tel. No.: +91 2764 286323, Fax No. : +91 2764 286335 Email: purvipatel@shilpgravures.com website : www.shilpgravures.com

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

This is to confirm that the Company has adopted Code of Conduct for 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 2013, 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 : 4th May, 2013

Ambar Patel
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SHILP GRAVURES LIMITED

We have examined the compliance of conditions of corporate governance by **SHILP GRAVURES LIMITED ("the Company")** for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange in India.

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

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

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

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

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, 4th May, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHILP GRAVURES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SHILP GRAVURES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Gaurav J. Shah
Partner

(Membership No. 35701)

AHMEDABAD, 4th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's activities, clauses (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and service and during the course of our audit we have not observed any continuing failure to correct major weaknesses in 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 in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.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) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. The Company has no unclaimed deposits at the end of the year. Consequently, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 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, 2013 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2010-11	₹ 73.19 lacs

- (xi) There are no accumulated losses of the Company as at 31st March, 2013. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees proposed to be given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have *prima facie* not been used during the year for long- term investment.
- (xvii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- (xix) The Company has not raised any money by way of public issue during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, 4th May, 2013

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
A EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share capital	3	614.98	614.98
(b) Reserves and surplus	4	3,217.32	2,776.12
		3,832.30	3,391.10
2 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	765.39	569.20
(b) Deferred tax liabilities (net)	28	519.27	486.32
(c) Long-term provisions	6	99.74	76.15
		1,384.40	1,131.67
3 CURRENT LIABILITIES			
(a) Short-term borrowings	7	748.87	990.89
(b) Trade payables	8	490.00	501.97
(c) Other current liabilities	9	321.84	352.08
(d) Short-term provisions	10	115.59	110.91
		1,676.30	1,955.85
TOTAL		6,893.00	6,478.62
B ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed assets	11		
(i) Tangible assets		4,063.27	3,971.31
(ii) Intangible assets		97.52	209.61
(iii) Capital work-in-progress		12.40	74.25
(b) Non-current investments	12	129.19	82.78
(c) Long-term loans and advances	13	655.28	53.55
(d) Other non-current assets	14	1.74	1.74
		4,959.40	4,393.24
2 CURRENT ASSETS			
(a) Current investments	15	1.75	1.75
(b) Inventories	16	427.40	418.35
(c) Trade receivables	17	1,241.83	1,420.71
(d) Cash and cash equivalents	18	105.69	120.25
(e) Short-term loans and advances	19	156.93	124.32
		1,933.60	2,085.38
TOTAL		6,893.00	6,478.62
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Place : Ahmedabad

 Date : 4th May, 2013

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

Managing Director

Gajanan V. Bhavsar

Executive Director

Place : Rakanpur

 Date : 4th May, 2013

Roshan H. Shah

Executive Director

Pragnesh Darji

Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

PARTICULARS	NOTE NO.	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
1 Revenue from Operations (Net)	20	5,444.00	5,580.42
2 Other Income	21	38.65	25.94
3 TOTAL REVENUE (1+2)		5,482.65	5,606.36
4 EXPENSES			
(a) Cost of materials consumed	22	1,597.04	1,845.08
(b) Purchases of stock-in-trade		11.66	24.65
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	1.23	16.36
(d) Employee benefits expense	24	1,059.34	1,014.23
(e) Finance costs	25	186.84	200.65
(f) Depreciation and amortisation expense	11	622.12	579.32
(g) Other expenses	26	1,242.40	1,187.67
TOTAL EXPENSES		4,720.63	4,867.96
5 Profit before Tax (3-4)		762.02	738.40
6 Tax Expenses			
(a) Current tax expense for current year		199.40	180.00
(b) Current tax expense relating to prior years		(19.47)	(14.44)
(c) Net current tax expense		179.93	165.56
(d) Deferred tax		32.96	45.90
		212.89	211.46
7 Profit for the year (5-6)		549.13	526.94
8 Earnings per Share (of Rs. 10 each) Basic and Diluted	27	8.93	8.57
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Place : Ahmedabad

Date : 4th May, 2013

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

Ambar J. Patel
Managing Director

Roshan H. Shah
Executive Director

Gajanan V. Bhavsar
Executive Director

Pragnesh Darji
Company Secretary

Place : Rakanpur
Date : 4th May, 2013

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	YEAR ENDED 31st March, 2013	YEAR ENDED 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	762.02	738.40
Adjustments for :		
Depreciation and amortisation	622.12	579.32
Bad debts	34.78	61.60
Financial Cost	186.84	200.65
Interest Income	(10.08)	(3.26)
Dividend Income	(0.21)	(3.16)
(Profit)/Loss on Sale/Write off of Fixed Assets	1.32	(8.88)
Net unrealised exchange (gain)/loss	(0.17)	(0.11)
Discount on sales	31.80	53.15
Provision for Leave and Gratuity	27.55	0.90
Liabilities written back	(5.87)	-
	888.08	880.21
Operating profit/(loss) before working capital changes	1,650.10	1,618.61
Changes in Working Capital:		
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(10.21)	(122.10)
Long-term Provisions	(3.96)	0.19
Short-term Provisions	(103.24)	(90.42)
Other Current Liabilities	82.85	(18.03)
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	112.28	21.24
Inventories	(9.05)	113.60
Long-term Loans and Advances	12.45	17.61
Short-term Loans and Advances	(32.61)	(34.86)
Other Non-Current Assets	-	30.00
	48.51	(82.77)
Cash Generated from Operations	1,698.61	1,535.84
Net income tax paid	(198.20)	(184.71)
Net Cash flow from Operating Activities (A)	1,500.41	1,351.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advance	(1,012.93)	(876.76)
Proceeds from Sale of Fixed Assets	14.00	56.98
Bank balances not considered as Cash and cash equivalents		
- Placed	-	-
- Matured	(2.92)	30.74
Non-current Investments in		
- Subsidiaries	-	(29.19)
- Joint ventures	(46.41)	(53.59)
Current investments not considered as Cash and cash equivalents		
- Proceeds from sale of investments	-	25.63
Loans given to		
- Joint ventures	(140.00)	-
Interest received from		
- Joint ventures	8.18	-
- Others	1.91	3.26
Dividend received from		
- Others	0.21	3.16
Net Cash Flow used in Investing Activities (B)	(1,177.96)	(839.78)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd...)

(₹ in Lacs)

Particulars	YEAR ENDED 31st March, 2013	YEAR ENDED 31st March, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	412.37	513.00
Repayment of Long Term Borrowings	(216.18)	(200.49)
Net increase / (decrease) in working capital borrowings	(239.31)	(123.27)
Repayment of Other Short Term Borrowings	(2.70)	(419.25)
Financial Cost	(186.84)	(200.65)
Dividend Paid	(92.25)	(76.87)
Tax on Dividend	(14.96)	(12.47)
Net Cash Flow used in Financing Activities (C)	(339.87)	(520.01)
Net decrease in Cash & Cash Equivalents (A+B+C)	(17.42)	(8.67)
Cash and Cash Equivalents at the beginning of the year	117.85	126.42
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.06	(0.11)
Cash and Cash Equivalents at the end of the year	100.37	117.85
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 18)	105.69	120.25
Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	5.32	2.40
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18	100.37	117.85

Note :

Cash and cash equivalents includes ₹ 15.34 Lacs (P.Y. ₹ 14.96 Lacs) in earmarked account balances with banks can be utilised only for the specific identified purposes.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 4th May, 2013

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

Ambar J. Patel
Managing Director

Gajanan V. Bhavsar
Executive Director

Place : Rakanpur
Date : 4th May, 2013

Roshan H. Shah
Executive Director

Pragnesh Darji
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS

1. BACKGROUND OF THE COMPANY

Shilp Gravures Limited is a public limited company, incorporated in 1993 under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange since 1995. The Company has set up, first gravure roller manufacturing house in India. The Company is engaged in engraving of rollers through three different engraving technologies i.e. electronic, laser and chemical etching. The engraved rollers are used for printing and packaging industries.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.2 Use of Estimates

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

2.3 Tangible Fixed Assets

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

Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized. Capital assets under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

2.4 Intangible Assets

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

2.5 Depreciation / Amortization

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

Softwares are depreciated over five years.

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

2.6 Impairment of Assets

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

2.7 Investments

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

2.8 Inventories

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

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

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

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

2.9 Revenue Recognition

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

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

2.10 Foreign Currency Transactions

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

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

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

2.11 Employee Benefits

Defined Contribution Plans:

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

Defined Benefit Plan:

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

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

2.12 Segment Reporting Policy

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

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

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

2.13 Borrowing Costs

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

2.14 Operating Lease

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

2.15 Provision for Tax

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

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

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

Deferred tax assets arising from carry forward losses and unabsorbed depreciation, are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.16 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

3 SHARE CAPITAL

PARTICULARS	AS AT 31st MARCH, 2013		AS AT 31st MARCH, 2012	
	(NUMBER)	(₹ in Lacs)	(NUMBER)	(₹ in Lacs)
Authorised: Equity Shares of ₹10 each with voting rights	6,500,000	650.00	6,500,000	650.00
Issued, Subscribed and Paid-up: Equity Shares of ₹ 10 each fully paid up with voting rights	6,149,800	614.98	6,149,800	614.98
Total	6,149,800	614.98	6,149,800	614.98

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

PARTICULARS	AS AT 31st MARCH, 2013		AS AT 31st MARCH, 2012	
	(NUMBER)	(₹ in Lacs)	(NUMBER)	(₹ in Lacs)
At the beginning of the year	6,149,800	614.98	6,149,800	614.98
Issued during the year	—	—	—	—
Bought back during the year	—	—	—	—
At the end of the year	6,149,800	614.98	6,149,800	614.98

ii) Terms/Rights attached to equity shares

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

During the year ended 31st March 2013, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.50 (31st March 2012 : ₹ 1.50)

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

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

NAME OF SHAREHOLDER	AS AT 31st MARCH, 2013		AS AT 31st MARCH, 2012	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vitthalidas H. Patel	782,356	12.72%	782,356	12.72%
Vitthalidas H. Patel jointly with Hiraben V. Patel	24,146	0.39%	19,146	0.31%
Hiraben V. Patel Jointly with Vitthalidas H. Patel	382,262	6.22%	363,624	5.91%
Hiraben V. Patel	607,714	9.88%	607,714	9.88%

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

4 RESERVES AND SURPLUS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Capital Reserves		
State Capital Investment Subsidy	15.00	15.00
	15.00	15.00
b. General Reserve		
Opening Balance	934.76	734.76
Add : Transfer from the surplus in Statement of Profit & Loss	300.00	200.00
Less : Utilised/Transferred during the year	-	-
Closing Balance	1,234.76	934.76
c. Surplus in Statement of Profit & Loss		
Opening Balance	1,826.36	1,606.63
Add : Net Profit for the current year	549.13	526.94
Less: Appropriation		
Proposed Dividend (Amount per share ₹ 1.50 (P.Y. ₹ 1.50))	92.25	92.25
Tax on Proposed Dividend	15.68	14.96
Transfer to General Reserves	300.00	200.00
Net surplus in the statement of profit and loss	1,967.56	1,826.36
Total	3,217.32	2,776.12

5. LONG TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Secured		
Term loans		
From Banks		
Indian Rupee Loan (Refer note (i),(ii),(iii) below)	591.83	391.65
From Financial Institutions (Refer note (iv) below)	1.03	5.02
	592.86	396.67
Unsecured		
Term loans		
From Financial Institutions (Refer note (v) below)	172.53	172.53
	172.53	172.53
Total	765.39	569.20

Secured

- (i) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 380.34 Lacs, out of which ₹103.40 Lacs is classified as current maturity (P.Y. ₹ 495.05 Lacs). The loan is repayable in 60 Monthly installments of ₹11.50 Lacs each including interest, from March, 2012. The loan is secured by exclusive charge over the three new windmills acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (ii) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 133.41 Lacs, out of which ₹29.68 Lacs is classified as current maturity (P.Y. ₹ Nil). The loan is repayable in 60 Monthly installments of ₹ 5.53 Lacs each including interest, from August, 2012. The loan is secured by exclusive charge over the new Imported Machineries acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (iii) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 263.96 Lacs, out of which ₹52.79 Lacs is classified as current maturity (P.Y. ₹ Nil). The new loan is repayable in 60 Monthly installments of ₹6.75 Lacs each including interest, from May, 2013. The loan is secured by exclusive charge over the new one windmill to be acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (iv) Hire purchase finances for Car amounting to ₹ 5.02 Lacs, out of which ₹3.98 Lacs is classified as current maturity (P.Y. ₹ 8.77 Lacs) is secured by hypothecation of the Car.

Unsecured

- (v) Unsecured loan amounting to ₹ 172.53 Lacs (P.Y. ₹ 172.53 Lacs) taken from Life Insurance Corporation of India. The loan is availed against Keyman Insurance policies of the key personnels of the Company. The same to be paid on or before the maturity of the respective Keyman Insurance policies i.e. 10th May, 2015 ₹ 26.80 Lacs, 4th June, 2015 ₹ 26.80 Lacs, 24th May, 2015 ₹ 25.65 Lacs, 28th July, 2016 ₹ 18.76 Lacs, 10th May, 2018 ₹ 18.95 Lacs, 4th June, 2015 ₹ 18.95 Lacs, 15th July, 2018 ₹ 18.32 Lacs, 24th August, 2018 ₹ 18.32 Lacs

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

6 LONG TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Provision for employee benefits		
Gratuity (Funded) (Refer note 29)	79.72	57.38
Compensated Absences (unfunded)(Refer note 29)	20.02	18.77
Total	99.74	76.15

7. SHORT TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Secured		
Loans repayable on demand		
Cash Credit from Banks (Refer note (i) and (ii) below)	748.87	988.19
	748.87	988.19
Unsecured		
Deposits		
Others	-	2.70
	-	2.70
Total	748.87	990.89

(i) Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd. of ₹ 748.87 Lacs (P.Y. ₹ 715.32 Lacs). The same is secured by present and future book debts and inventories of the Company, personal guarantee of some of the promoter directors.

(ii) Working capital loan from The Royal Bank of Scotland of ₹ Nil (P.Y. ₹ 272.87 Lacs). The same was secured by exclusive charge over entire fixed assets of the Company both present and future. Further, the loan was guaranteed by personal guarantee of all the promoter directors.

8 TRADE PAYABLES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Trade payables other than Acceptances (Refer note 36)	490.00	501.97
Total	490.00	501.97

9 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Current maturities of secured long-term debt (Refer Note (i) to (iv) of Note 5 above)	189.86	194.47
Interest accrued but not due on borrowings	5.46	7.29
Unpaid dividends*	15.34	14.96
Other payables		
Statutory and Other Liabilities	9.65	15.23
Payable on Business Acquisition	-	5.87
Creditors for Capital Goods	47.53	52.47
Advances from Customers	54.00	61.79
Total	321.84	352.08

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

10 SHORT TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Provision for employee benefits		
Compensated Absences (unfunded) (Refer Note 29)	7.66	3.70
b. Others		
Proposed Dividend	92.25	92.25
Tax on Proposed Dividend	15.68	14.96
Total	115.59	110.91

11 FIXED ASSETS

(₹ in Lacs)

Fixed Assets	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April 2012	Additions during the year	Disposals during the year	As at 31st March, 2013	Balance as at 1st April 2012	Depreciation/ Amortisation charge for the year	On disposals during the year	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
a Tangible Assets										
Land	62.68	80.30	-	142.98	-	-	-	-	142.98	62.68
Buildings	748.17	118.96	-	867.12	128.82	22.31	-	151.13	715.99	619.35
Plant and Equipments	6,739.58	370.89	-	7,110.48	3,841.37	426.20	-	4,267.57	2,842.91	2,898.21
Furniture and Fixtures	144.33	14.21	-	158.54	73.51	9.06	-	82.57	75.97	70.82
Vehicles	180.33	-	35.28	145.06	57.54	15.36	19.96	52.94	92.12	122.80
Office Equipments and Computers	480.91	32.95	14.26	499.60	374.28	30.18	14.26	390.20	109.40	106.63
Electrical Installations	144.65	-	-	144.65	53.82	6.92	-	60.74	83.90	90.82
Total	8,500.65	617.31	49.54	9,068.43	4,529.34	510.03	34.22	5,005.16	4,063.27	3,971.31
b Intangible Assets										
Goodwill	560.44	-	-	560.44	350.83	112.09	-	462.92	97.52	209.61
Total	560.44	-	-	560.44	350.83	112.09	-	462.92	97.52	209.61
c Capital Work In Progress									12.40	74.25
Total									12.40	74.25
Grand Total	9,061.09	617.31	49.54	9,628.87	4,880.17	622.12	34.22	5,468.08	4,173.19	4,255.17
Previous Year	8,330.02	804.79	73.72	9,061.09	4,326.48	579.32	25.62	4,880.17	4,255.17	4,024.02

1. Building includes Rs 100 towards one equity share fully paid up of Shree Kashi Parekh House Owner's Association
2. Plant and Machinery includes softwares being an integral part of plant and machinery
3. Vehicles includes vehicle acquired on hire purchase term amounting to ₹ 16.52 Lacs. Refer Note 30 for additional information.

12 NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Trade Investments - Unquoted (at Cost)		
Investment in Equity Shares of Subsidiary		
2,91,867(P.Y. 2,91,867) Equity Shares of ReShilp Equipments (India) Pvt Ltd at ₹ 10 each fully paid up	29.19	29.19
Investment in Joint Venture		
10,00,000 (P.Y. 5,35,940) Equity Shares of HMSU Rollers (India) Pvt Ltd. at ₹ 10 each fully paid up	100.00	53.59
Total	129.19	82.78

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

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

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Advances for Capital Goods	477.36	19.88
Security Deposits	37.92	33.67
Loans and advances to related party - HMSU Rollers (India) Pvt. Ltd.	140.00	-
Total	655.28	53.55

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

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Bank Deposits more than 12 months maturity period*	1.74	1.74
TOTAL	1.74	1.74

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

15 CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Investment in Equity instruments - Unquoted (at Cost)		
3,500(P.Y.3,500) Equity Shares of The Ahmedabad Mercantile Co-operative Bank Ltd.at ₹50 each fully paid up	1.75	1.75
Total	1.75	1.75

16 INVENTORIES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Raw Materials and components	237.40	223.92
Work-in-progress	127.88	112.65
Finished goods	7.42	5.95
Stock-in-trade	4.44	22.36
Stores and spares	46.64	46.36
Goods-in transit	0.97	4.48
Packing Materials	2.65	2.63
Total	427.40	418.35

17 TRADE RECEIVABLES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Unsecured, considered good		
Outstanding from the date they are due for payment		
a. less than six months	1,156.28	1,337.06
b. exceeding six months	85.55	83.65
Total	1,241.83	1,420.71

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

17 TRADE RECEIVABLES (Contd...)

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Trade Receivable stated above include debts due by:		
Private Company in which Director of the Company is a Director		
ReShilp Equipments (India) Pvt. Ltd.	-	158.66
HMSU Rollers (India) Pvt. Ltd.	19.35	-
	19.35	158.66

18 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Cash on hand	11.99	6.43
b. Cheques, drafts on hand	1.74	3.46
c. Balances with banks		
(i) In Current Accounts	71.30	92.00
(ii) In Deposits Accounts with original maturity of less than 3 months	-	1.00
(iii) In Earmarked Accounts		
- Unpaid dividend accounts	15.34	14.96
	100.37	117.85
d. Others		
Bank Deposits with more than 3 months, but below 12 months maturity	5.32	2.40
Total	105.69	120.25

19 SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Unsecured, considered good		
Advance to Suppliers	47.26	26.96
Advance Income Tax (Net of Tax Provisions of ₹ 534.59 Lacs (P.Y. ₹ 354.86 Lacs))	53.77	29.39
Deposits		
To Related Parties	0.57	0.57
To Others	3.01	2.29
Prepaid Expenses	15.91	39.83
Balances with Government Authorities	6.08	10.01
Others		
To Related Parties	1.09	2.14
To Others	29.24	13.13
Total	156.93	124.32
Deposits and advances to others includes :		
Firm in which director is a partner		
Hira Corporation	0.23	0.23
Private Company in which director is a director		
Stylus Infrastructure Pvt. Ltd.	0.34	0.34
HMSU Rollers (India) Pvt. Ltd.	1.09	2.09
ReShilp Equipments (India) Pvt. Ltd.	-	0.05

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

20 REVENUE FROM OPERATIONS

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Sale of products	3,951.85	4,360.97
Less : Excise Duty	436.36	429.81
	3,515.49	3,931.16
Sale of services	2,080.39	1,746.04
Less : Service Tax	229.70	163.33
	1,850.69	1,582.71
Trading Sales	23.90	46.22
Other Operating Revenue		
- Scrap Sales	85.72	72.82
- Others	-	0.66
Less: Discount on sales	31.80	53.15
Total	5,444.00	5,580.42
Sales of products and services comprises of:		
Manufactured Goods		
- Engraved Copper Rollers	3,260.40	3,210.23
- Web guiding and Controlling system	-	473.81
- Printing Plates	188.89	216.80
- Others	66.19	30.31
Traded Goods		
- Doctor Blade	13.54	25.49
- Adhesive Chemical	8.58	16.85
- Others	1.78	3.88
Sale of services		
- Job work sales	1,850.69	1,582.71

21 OTHER INCOMES

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Interest Income	10.08	3.26
Dividend Income	0.21	3.16
Recovery of Bad debts written off in earlier years	3.26	7.62
Rent Income	0.90	0.90
Profit on sale of fixed assets (net)	(1.32)	8.88
Business Support Service	18.28	-
Liabilities no longer required written back	5.87	-
Miscellaneous Income	1.37	2.12
Total	38.65	25.94

22 COST OF RAW MATERIAL CONSUMED

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Inventory at the beginning of the year	223.92	338.81
Add : Purchases during the year	1,610.51	1,730.19
	1,834.43	2,069.00
Inventory at the end of the year	237.39	223.92
Total	1,597.04	1,845.08

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

22 COST OF RAW MATERIAL CONSUMED (Contd...)

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Raw Materials Consumed comprises of:		
M.S. Roller	76.86	191.22
M.S. Pipe, Plates and bars	752.09	596.82
Copper	499.07	408.15
Web guiding and Controlling system components	-	398.91
Others	269.01	249.99

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

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
INVENTORIES AT THE BEGINNING OF THE YEAR		
Finished Goods	5.95	3.35
Work-in-progress	112.65	123.02
Stock-in-trade	22.36	30.95
	140.96	157.32
INVENTORIES AT THE END OF THE YEAR		
Finished Goods	7.42	5.95
Work-in-progress	127.88	112.65
Stock-in-trade	4.43	22.36
	139.73	140.96
CHANGE IN INVENTORIES	1.23	16.36
Inventories comprises of:		
Finished Goods		
- Engraved Rollers	7.42	5.95
Work-in-progress		
- Engraved Rollers	127.88	112.65
Stock-in-trade		
- Doctor Blade	4.43	15.66
- Adhesive Chemical	-	6.69

24 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Salaries, Wages and bonus	890.41	869.91
Contributions to Provident and other funds	71.31	54.33
Staff welfare expenses	97.62	89.99
Total	1,059.34	1,014.23

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

25 FINANCE COSTS

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Interest expense		
On term loans	86.35	49.66
On working capital loans	94.49	120.37
Others	2.49	27.89
	183.33	197.92
Other borrowing costs	3.51	2.73
Total	186.84	200.65

26 OTHER EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Stores, Spares & Consumables	369.71	349.25
Packing Materials Consumed	69.00	69.86
Power, Fuel & Electricity	95.52	144.54
Repairs and Maintenance		
Plant & Machinery	61.71	54.28
Building	50.19	32.10
Others	33.80	23.57
Factory Expenses	30.66	28.71
Rent, Rates & Taxes	15.55	15.72
Legal and Professional Charges	69.70	55.46
Conveyance and Travelling	91.84	85.57
Communication Expenses	19.50	20.83
Stationary, Printing and subscription	13.61	10.21
Insurance Premium	45.89	37.63
Auditors' Remuneration	10.95	5.65
Computer Expenses	9.13	12.52
Bad debts	34.78	61.60
Donation	6.33	3.98
Clearing & Forwarding	78.34	71.33
Sales Commission		
to sole selling agent	-	7.67
to others	26.72	29.32
Advertisement and Business Promotion	63.12	28.32
Loss on foreign exchange rate fluctuation (net)	0.93	11.41
Miscellaneous Expenses	45.42	28.13
Total	1,242.40	1,187.67

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

27 EARNING PER SHARE (EPS)

PARTICULARS	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Basic and Diluted		
Profit attributable to equity share holders (₹ in Lacs)	549.13	526.94
Nominal Value of equity share (₹/share)	10	10
Weighted average number of ordinary equity share for Basic EPS (Nos.)	6,149,800	6,149,800
Basic and Diluted EPS (₹/share)	8.93	8.57

28 DEFERRED TAX LIABILITY

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

PARTICULARS	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
Deferred Tax Liability		
Difference between book and tax depreciation	521.03	487.15
	521.03	487.15
Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	(1.76)	(0.83)
	(1.76)	(0.83)
Deferred Tax Liability (net)	519.27	486.32

29 EMPLOYEE BENEFITS

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

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

1. Defined Benefit Plans

I. Expenses recognized in the Statement of Profit and Loss for the year: (₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Current service cost	11.82	10.16	3.43	2.05
Interest Cost	10.78	9.31	1.61	1.66
Expected return on plan assets	(6.75)	(5.42)	-	-
Net actuarial losses (gains)	15.01	2.39	7.32	(1.18)
Total	30.86	16.44	12.36	2.53

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Defined benefit obligation at beginning of the year	128.52	111.67	22.47	19.93
Service cost	11.82	10.16	3.43	2.05
Interest cost	10.78	9.31	1.61	1.67
Actuarial losses (gains)	15.39	2.39	7.32	(1.18)
Benefits paid	(3.37)	(5.01)	(7.15)	-
Defined benefit obligation at year end	163.14	128.52	27.68	22.47

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Fair value of plan assets at beginning of the year	71.15	52.65	-	-
Expected return on plan assets	6.75	5.42	-	-
Actuarial gains and (losses)	0.38	-	-	-
Contributions by employer	7.92	18.08	-	-
Benefits paid	(3.37)	(5.00)	-	-
Adjustment to fund	0.60	-	-	-
Fair value of plan assets at year end	83.43	71.15	-	-

IV. Investment details:

Particulars	% invested as at 31st MARCH, 2013	% invested as at 31st MARCH, 2012
Insurance Company	100%	100%

V. Actuarial Assumptions: (₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.00%	8.50%	8.00%	8.50%
Expected Return on plan assets (per annum)	9.15%	9.15%	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

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

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Present value of defined benefit obligations at the end of the year (Independent actuary)	70.50	80.01	97.79	111.67	128.52
Fair value of plan assets at the end of the year	27.32	32.62	45.11	52.65	71.15
Net assets / (Liability) at the end of the year	43.18	47.39	52.68	59.02	57.37

2. Defined Contribution Plans.

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

PARTICULARS	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Employer's Contribution to Provident Fund	34.47	31.66
Employers' Contribution to Superannuation Fund	6.07	6.22

30 LEASES

The Company has taken vehicles on hire purchase financing and hire purchase installments amounting to ₹0.42 Lacs (P.Y. ₹0.44 Lacs) have been charged to the Statement of Profit and Loss. The future minimum hire purchase installments are as under:

(₹ in Lacs)

Particulars	As at 31st MARCH, 2013	As at 31st MARCH, 2012
Not later than 1 year	3.98	3.75
Later than 1 year but not later than 5 years.	1.03	5.02

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 14.95 Lacs (P.Y. ₹ 15.14 Lacs) have been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

(₹ in Lacs)

Particulars	As at 31st MARCH, 2013	As at 31st MARCH, 2012
Not later than 1 year	4.01	4.55
Later than 1 year but not later than 5 years.	1.69	4.14

31 CAPITAL AND OTHER COMMITMENTS

(₹ in Lacs)

Particulars	As at 31st MARCH, 2013	As at 31st MARCH, 2012
Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance)	71.56	22.09
Estimated amount of investment to be made in joint venture	60.00	142.00

32 CONTINGENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st MARCH, 2013	As at 31st MARCH, 2012
Disputed demand of Income tax against which the Company has preferred appeal	73.19	18.25
Bills Discounted	51.36	72.69

The Board of Directors have in their meeting held on 05th November, 2012 passed a resolution for providing Corporate Guarantee for an amount of ₹ 1190.00 Lacs in favour of Axis Bank Limited for the Term Loan provided to HMSU Rollers (India) Private Limited, a Joint Venture Company. However, an application is being made to Ministry of Corporate Affairs for sorting their prior approval before executing the said Corporate Guarantee. The application is still under process at Ministry.

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

33 RELATED PARTY DISCLOSURES

a) Related parties and their relationship

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

b) Transactions with related parties

(₹ in Lacs)

(Figures in Brackets represent previous year numbers)

Nature of transactions	Subsidiary / Joint Ventures	Key Management Personnel and their relatives	Entities controlled by Key Management Personnel	Individuals exercising significant influence over the enterprise	Total
Investment in equity shares	46.41 (82.78)				46.41 (82.78)
Share application money given	- (0.41)				- (0.41)
Sale of goods	19.03 (311.21)		- (4.63)		19.03 (315.84)
Purchase of goods	7.68 (14.67)				7.68 (14.67)
Sale of Fixed Assets	- (1.66)				- (1.66)
Rent Paid			6.06 (5.72)		6.06 (5.72)
Rent Received	0.67 -		0.23 (0.90)		0.90 (0.90)
Commission paid/provided			- (12.06)		- (12.06)
Services received	6.06 (3.49)				6.06 (3.49)
Services rendered	18.08 (9.00)				18.08 (9.00)
Reimbursement of expenses	5.27 (25.64)				5.27 (25.64)
Interest Paid/Provided		- (0.75)	- (13.19)	- (2.77)	- (16.71)
Acceptance of Fixed Deposit		-	- (55.00)		- (55.00)
Repayments of Deposits		- (11.80)	- (164.50)	- (70.25)	- (246.55)
Interest Received/Receivable	6.61 -	- (0.75)	- (13.19)	- (2.77)	6.61 (16.71)
Unsecured Loan given	140.00 -				140.00 -
Dividends paid		10.77 (8.74)		20.99 (14.83)	31.76 (23.57)
Remuneration		118.53 (123.53)		81.32 (94.26)	199.85 (217.79)
Outstanding balance (Dr.)	160.44 (160.79)				160.44 (160.79)
Outstanding balance (Cr.)			14.59 (14.76)		14.59 (14.76)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

c) Disclosure in respect of material transactions with related parties

(₹ in Lacs)

Nature of transactions	Name of the related party	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Investment in equity shares	HMSU Rollers (India) Pvt. Ltd.	46.41	53.59
	ReShilp Equipments (India) Pvt. Ltd.	-	29.19
Sale of goods	ReShilp Equipments (India) Pvt. Ltd.	0.05	311.21
	HMSU Rollers (India) Pvt. Ltd.	18.98	-
Purchase of goods	ReShilp Equipments (India) Pvt. Ltd.	7.68	14.67
Sale of Fixed Assets	ReShilp Equipments (India) Pvt. Ltd.	-	1.66
Rent Paid	Stylus Infrastructure Pvt. Ltd	3.70	3.43
	Hira Corporation	2.36	2.29
Rent Received	ReShilp Equipments (India) Pvt. Ltd.	0.67	-
	Shilp Ultratech Private Limited	0.23	0.90
Commission paid/provided	Shilp Ultratech Private Limited	-	12.06
Services received	ReShilp Equipments (India) Pvt. Ltd.	6.06	3.49
Services rendered	ReShilp Equipments (India) Pvt. Ltd.	-	9.00
	HMSU Rollers (India) Pvt. Ltd.	18.08	-
Reimbursement of expenses	HMSU Rollers (India) Pvt. Ltd.	5.22	6.94
	ReShilp Equipments (India) Pvt. Ltd.	0.05	18.70
Interest Paid	Dr. Baldev Patel	-	2.11
	Stylus Infrastructure Private Limited	-	12.29
Acceptance of Fixed Deposit	Stylus Infrastructure Private Limited	-	55.00
Repayment of Deposits	Narendra R. Patil	-	7.00
	Dr. Baldev Patel	-	53.00
	Stylus Infrastructure Private Limited	-	154.50
Interest Received/Receivable	HMSU Rollers (India) Pvt. Ltd.	6.61	-
Unsecured Loan given	HMSU Rollers (India) Pvt. Ltd.	140.00	-
Dividends paid	Mr. Ambar J. Patel	3.66	3.05
	Mr. Atul Vinchhi	4.57	3.77
	Mr. G.V. Bhavsar	4.75	3.96
	Dr. Baldev Patel	-	7.00
Remuneration	Mr. Ambar J. Patel	38.61	40.52
	Mr. Roshan Shah	38.16	40.14
	Mr. Narendra Patil	38.16	40.14
	Mr. Atul Vinchhi	38.16	40.14
	Mr. G.V. Bhavsar	38.16	40.14
Outstanding balance (Dr.)	HMSU Rollers (India) Pvt. Ltd.	160.44	2.09
	ReShilp Equipments (India) Pvt. Ltd.	-	158.71
Outstanding balance (Cr.)	Shilp Ultratech Private Limited	14.59	14.76

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

34 SEGMENT REPORTING

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

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

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

(Figures in brackets represent previous year numbers)

Particulars	Engraved Copper Roller	Wind Mill	Others	Unallocated	Total
Sales	5,187.99 (4,858.22)	187.00 (94.99)	256.02 (722.20)		5,631.00 (5,675.41)
Less: Inter segment sales		187.00 (94.99)			187.00 (94.99)
Segment revenue	5,187.99 (4,858.22)	- -	256.02 (722.20)		5,444.00 (5,580.42)
Segment results	818.05 (853.15)	114.89 (61.72)	15.92 (24.18)		948.86 (939.05)
Assets	4,114.36 (3,891.52)	1,182.35 (889.12)	289.73 (469.61)	1,306.57 (1,228.37)	6,893.01 (6,478.62)
Liabilities	1,437.19 (1,734.51)	157.77 (112.47)	73.69 (105.17)	1,392.06 (1,135.36)	3,060.71 (3,087.52)

35 FINANCIAL AND DERIVATIVE INSTRUMENTS

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

Particulars		Foreign Currency	Indian Currency Equivalent (₹ in Lacs)
Amounts receivable in foreign currency	AS AT 31ST MARCH, 2013	USD 18092.46	9.82
		EURO 6010.72	4.18
	AS AT 31ST MARCH, 2012	USD 16448.00	8.35
Amounts payable in foreign currency	AS AT 31ST MARCH, 2013	USD 21290.00	11.56
		EURO 15134.34	10.52
		CHF 50566.26	28.82
	AS AT 31ST MARCH, 2012	USD 11270.00	5.72
		EURO 745.14	0.51
		CHF 24802.90	14.17

36 DISCLOSURES UNDER THE MSMED ACT, 2006

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

37 CONSUMPTION OF RAW MATERIALS, STORES AND SPARES

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	(₹ in lacs)	%	(₹ in lacs)	%
Raw Materials				
Imported	27.17	1.70%	393.05	21.30%
Indigenous	1,569.87	98.30%	1,452.03	78.70%
Total	1,597.04	100.00%	1,845.08	100.00%
Stores and Spares				
Imported	82.15	22.22%	111.38	31.89%
Indigenous	287.56	77.78%	237.87	68.11%
Total	369.71	100.00%	349.25	100.00%

38 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Capital Goods	198.09	14.66
Raw Material	26.99	252.00
Trading	-	14.74
Stores, Spares & Components	94.72	99.90
Total	319.79	381.30

39 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Traveling	4.30	2.25
Advertisement & business promotion	24.39	-
Repairs and maintenance	23.88	35.09
Total	52.57	37.34

40 EARNINGS IN FOREIGN CURRENCY

(₹ in lacs)

PARTICULARS	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
F.O.B. Value – Sales	96.16	25.59

41 REMITTANCE ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS

(i) Remitted in Foreign Currency

PARTICULARS	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Year to which Dividend relates	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Amount of Dividend remitted (₹ In Lacs)	4.47	3.72
Number of Non-Resident Shareholders to whom remittance was made	27	27
Number of Shares held on which Dividend was due and remitted	297,800	297,800
Face Value of each share(₹)	10	10
(ii) Remitted to their Banks in India		
Year to which Dividend relates	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Amount of Dividend remitted (₹ In Lacs)	0.43	16.21
Number of Non-Resident Shareholders to whom remittance was made	17	30
Number of Shares held on which Dividend was due and remitted	28,894	1,300,766
Face Value of each share(₹)	10	10

42 INTEREST IN JOINT VENTURE

The Company has entered into a Joint Venture Agreement with three Companies namely, Hannecard N.V., Mitex GMBH and Unimark International Private Limited to incorporate a Joint Venture Company in the name of HMSU Rollers (India) Private Limited on 1st February, 2012. The said Joint Venture Company will be engaged in the manufacturing of Rubber Rollers and Poly Urethane Rollers. The newly formed Company has yet not commenced its commercial operations.

The Company has interests in the following jointly controlled entity:

Name of companies and country of incorporation	% of shareholding	Amount of interest based on accounts for the year ended 31st March, 2013 (₹ in lacs)			
		Assets	Liabilities	Capital commitments	Contingent Liability
HMSU Rollers (India) Pvt. Ltd, India	20%	430.37	430.37	60.00	-

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

Loans and Advances in the nature of loans given to joint venture : (₹ in Lacs)

Name of the Company	Relationship	As at 31st March, 2013	Maximum Balance outstanding during the year
HMSU Rollers (India) Pvt. Ltd, India	Joint Venture	140.00	140.00

44 Balance of Receivables , Payables, and loans and advances to parties are subject to their confirmation. These balances therefore, subject to adjustment, if any , as may be required on settlement of these balances with the parties

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

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 4th May, 2013

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

Ambar J. Patel
Managing Director

Gajanan V. Bhavsar
Executive Director

Place : Rakanpur
Date : 4th May, 2013

Roshan H. Shah
Executive Director

Pragnesh Darji
Company Secretary

FINANCIAL DETAILS OF SUBSIDIARY COMPANY

₹ in Lacs

DETAILS OF THE SUBSIDIARY COMPANY PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956	
Name of the Subsidiary	Reshilp Equipments (India) Private Limited
Share Capital	57.23
Reserves	11.54
Total Assets	385.99
Total Liabilities	385.99
Investments	—
Turnover	607.32
Profit Before Taxation	5.18
Provision for Taxation	0.48
Profit after Taxation	4.70
Proposed Dividend	—

STATEMENT PURSUANT TO THE SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY FOR THE YEAR ENDED 31ST MARCH, 2013

1.	Name of the Company	ReShilp Equipments (India) Private Limited
2	Financial year of the subsidiary company ended on	31st March, 2013
3	Shares of the Subsidiary Company held on above date	
	a) Number of Equity Shares	291867
	b) Face Value	10
	c) Extent of Holding	51%
4	Net Aggregate amount of profit/Loss of the Subsidiary Company as far as it concerns the members of the Company :	
	1) Dealt with in the Company's Accounts:	
	(a) For the Financial Year of Subsidiary Company.	Nil
	(b) For the previous Financial Year of Subsidiary Company.	Nil
	2) Not dealt with in the Company's Accounts:	
	(a) For the Financial Year of Subsidiary Company.	₹ 2.40 Lacs
	(b) For the previous Financial Year of Subsidiary Company.	₹ 3.49 Lacs
5	Statement of changes under Section 212(5) of the Companies Act, 1956:	
	(i) Fixed Assets, Capitalised Assets & WIP	₹ 2.42 Lacs
	(ii) Investments	—
	(iii) Monies Lent	—
	(iv) Monies Borrowed/ Term Loan to its ongoing project from the banks/ financial institutions.	—

For, Shilp Gravures Limited

Ambar J. Patel
Managing Director

TO THE BOARD OF DIRECTORS OF SHILP GRAVURES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SHILP GRAVURES LIMITED** ("the Company"), its subsidiary and a jointly controlled entity (the Company, its subsidiary and the jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets (net) of Rs.385.99 lacs as at 31st March, 2013, total revenues of Rs.607.35 lacs and net cash flows amounting to Rs.5.08 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditors.

Our report is not qualified in respect of this matter.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, 4th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

(₹ in Lacs)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
A EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share capital	3	614.98	614.98
(b) Reserves and surplus	4	3,217.21	2,773.80
		3,832.19	3,388.78
2 MINORITY INTEREST			
		33.68	31.39
3 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	1,010.85	569.20
(b) Deferred tax liabilities (net)	28	519.58	486.91
(c) Long-term provisions	6	101.30	76.15
		1,631.73	1,132.26
4 CURRENT LIABILITIES			
(a) Short-term borrowings	7	748.87	990.89
(b) Trade payables	8	806.28	608.25
(c) Other current liabilities	9	375.32	362.84
(d) Short-term provisions	10	117.23	111.00
		2,047.70	2,072.98
TOTAL		7,545.30	6,625.41
B ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed assets	11		
(i) Tangible assets		4,147.15	3,986.43
(ii) Intangible assets		100.30	211.07
(iii) Capital work-in-progress		297.30	79.32
(b) Long-term loans and advances	12	628.20	74.02
(c) Other non-current assets	13	17.38	6.09
		5,190.33	4,356.93
2 CURRENT ASSETS			
(a) Current investments	14	1.75	1.75
(b) Inventories	15	599.82	535.69
(c) Trade receivables	16	1,396.95	1,415.48
(d) Cash and cash equivalents	17	128.16	166.08
(e) Short-term loans and advances	18	227.45	149.48
(f) Other Current Assets	19	0.84	-
		2,354.97	2,268.48
TOTAL		7,545.30	6,625.41
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Place : Ahmedabad

Date : 4th May, 2013

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

Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Place : Rakanpur

Date : 4th May, 2013

Roshan H. Shah

Executive Director

Pragnesh Darji

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

PARTICULARS	NOTE NO.	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
1 Revenue from Operations (Net)	20	6,036.47	5,702.97
2 Other Income	21	38.47	25.96
3 TOTAL REVENUE (1+2)		6,074.94	5,728.93
4 EXPENSES			
(a) Cost of materials consumed	22	2,058.48	1,890.37
(b) Purchases of stock-in-trade		11.67	24.65
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	1.23	16.36
(d) Employee benefits expense	24	1,123.53	1,049.66
(e) Finance costs	25	187.57	200.83
(f) Depreciation and amortisation expense	11	623.85	580.02
(g) Other expenses	26	1,301.11	1,223.25
TOTAL EXPENSES		5,307.44	4,985.14
5 Profit before Tax (3-4)		767.50	743.79
6 Tax Expenses			
(a) Current tax expense for current year		201.43	183.76
(b) Current tax expense relating to prior years		(20.23)	(14.44)
(c) Net current tax expense		181.20	169.32
(d) Deferred tax		32.67	46.49
		213.87	215.81
7 Profit after Tax before Minority Interest (5-6)		553.63	527.98
8 Minority Interest		2.30	3.34
9 Profit attributable to shareholders of the Company (7-8)		551.33	524.64
10 Earnings per Share (of ₹ 10 each)	27		
Basic and Diluted		8.96	8.53
See accompanying notes forming part of the financial statements			
<p>In terms of our report attached</p> <p>For Deloitte Haskins & Sells Chartered Accountants</p> <p>Gaurav J. Shah Partner</p> <p>Place : Ahmedabad Date : 4th May, 2013</p>		<p>For and on behalf of the Board of Directors of Shilp Gravures Limited</p> <p>Ambar J. Patel Roshan H. Shah Managing Director Executive Director</p> <p>Gajanan V. Bhavsar Pragnesh Darji Executive Director Company Secretary</p> <p>Place: Rakanpur Date : 4th May, 2013</p>	

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	767.50	743.79
Adjustments for :		
Depreciation and amortisation	623.85	580.02
Bad debts	34.78	61.60
Financial Cost	187.57	200.83
Interest Income	(10.20)	(3.27)
Dividend Income	(0.21)	(3.16)
(Profit)/Loss on Sale/Write off of Fixed Assets	1.32	(8.88)
Net unrealised exchange (gain)/loss	(4.23)	0.50
Provision for warranty expenses	1.63	-
Discount on sales	31.80	53.15
Provision for Leave and Gratuity	29.01	0.99
Liabilities written back	(5.87)	-
	889.45	881.78
Operating profit/(loss) before working capital changes	1,656.95	1,625.57
Changes in Working Capital:		
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	203.84	(16.43)
Long-term Provisions	(3.86)	0.10
Short-term Provisions	(103.32)	(90.33)
Other Current Liabilities	125.82	(7.28)
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	(48.06)	26.47
Inventories	(64.13)	(3.74)
Long-term Loans and Advances	17.45	13.85
Short-term Loans and Advances	(77.97)	(60.03)
Other Current Assets	(0.84)	-
Other Non-Current Assets	(11.29)	25.65
	37.64	(111.74)
Cash Generated from/(used in) Operations	1,694.59	1,513.83
Net income tax (paid)/refund	(204.48)	(184.71)
Net Cash flow from Operating Activities (A)	1,490.11	1,329.11
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(1,346.16)	(919.59)
Proceeds from Sale of Fixed Assets	14.00	56.98
Bank balances not considered as Cash and cash equivalents		
- Matured	12.64	12.74
Current investments not considered as Cash and cash equivalents		
- Proceeds from sale	-	25.63
Loans given		
- Joint ventures	(112.00)	-
Interest received		
- Others	10.20	3.27
Dividend received		
- Others	0.21	3.16
Net Cash Flow used in Investing Activities (B)	(1,421.11)	(817.81)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd...)

(₹ in Lacs)

Particulars	2012-13	2011-12
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from minority interest	-	28.04
Proceeds from Long Term Borrowings	658.71	513.00
Repayment of Long Term Borrowings	(216.17)	(200.49)
Net increase / (decrease) in working capital borrowings	(239.31)	(123.27)
Repayment of Other Short Term Borrowings	(2.70)	(419.25)
Financial Cost	(187.57)	(200.83)
Dividend Paid	(92.25)	(76.87)
Tax on Dividend	(14.96)	(12.47)
Net Cash Flow used in Financing Activities (C)	(94.25)	(492.15)
Net increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(25.25)	19.15
Cash and Cash Equivalents at the beginning of the year	145.68	126.42
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.02	(0.11)
Cash and Cash Equivalents at the end of the year	120.40	145.68
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)	128.16	166.08
Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3)	7.76	20.40
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	120.40	145.68

Note :

Cash and cash equivalents includes ₹ 15.34 Lacs (P.Y. ₹ 14.96 Lacs) in earmarked account balances with banks can be utilised only for the specific identified purposes.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Place : Ahmedabad

Date : 4th May, 2013

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

Ambar J. Patel

Managing Director

Gajanan V. Bhavsar

Executive Director

Place: Rakanpur

Date : 4th May, 2013

Roshan H. Shah

Executive Director

Pragnesh Darji

Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF CONSOLIDATED

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

a) Basis of Accounting:

- i. The financial statements of the subsidiary company and Joint venture used in the consolidation are drawn upto the same reporting date as of the Company, i.e. for the year ended 31st March, 2013.
- ii. The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Principles of Consolidation:

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

- i. The financial statements of the Company and its subsidiary company have been consolidated on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profit as per the applicable Accounting Standard in India.
- ii. Interests in joint ventures have been accounted by using the proportionate consolidation method as per the applicable Accounting Standard in India. The intra - group balances and intra - group transactions and unrealized profits are eliminated to the extent of the Company's proportionate share.
- iii. The excess of the cost to the Company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the dates on which the investments in subsidiary companies and joint ventures are made is recognized in the consolidated financial statements as "Goodwill on Consolidation".
- iv. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences if any, in accounting policies have been disclosed separately.
- v. Minority interest in the net assets of subsidiary consists of the amount of equity attributable to minority at the date on which the investment in the subsidiary is made. The minority's share of movements in equity since the date the parent - subsidiary relationship comes into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax.

c) Particulars of Subsidiary and Joint Venture

Name of the Company	Country of Incorporation	Percentage of Voting Power as at 31 st March, 2013
Subsidiary		
Reshilp Equipments (India) Private Limited	India	51%
Joint Venture		
HMSU Rollers (India) Private Limited	India	20%

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.2 Use of Estimates

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

2.3 Tangible Fixed Assets

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

Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized. Capital assets under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

2.4 Intangible Assets

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

2.5 Depreciation / Amortization

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

Softwares are depreciated over five years.

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

2.6 Impairment of Assets

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

2.7 Investments

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

2.8 Inventories

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

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

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

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

2.9 Revenue Recognition

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

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

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

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

2.10 Foreign Currency Transactions

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

2.11 Employee Benefits

Defined Contribution Plans:

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

Defined Benefit Plan:

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

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

2.12 Segment Reporting Policy

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

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

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

2.13 Borrowing Costs

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

2.14 Operating Lease

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

2.15 Provision for Tax

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

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

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

Deferred tax assets arising from carry forward losses and unabsorbed depreciation, are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.16 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

3 SHARE CAPITAL

PARTICULARS	AS AT 31st MARCH, 2013		AS AT 31st MARCH, 2012	
	(NUMBER)	(₹ in Lacs)	(NUMBER)	(₹ in Lacs)
Authorised: Equity Shares of ₹10 each with voting rights	6,500,000	650.00	6,500,000	650.00
Issued, Subscribed and Paid-up: Equity Shares of ₹ 10 each fully paid up with voting rights	6,149,800	614.98	6,149,800	614.98
Total	6,149,800	614.98	6,149,800	614.98

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

PARTICULARS	AS AT 31st MARCH, 2013		AS AT 31st MARCH, 2012	
	(NUMBER)	(₹ in Lacs)	(NUMBER)	(₹ in Lacs)
At the beginning of the year	6,149,800	614.98	6,149,800	614.98
Issued during the year	—	—	—	—
Bought back during the year	—	—	—	—
At the end of the year	6,149,800	614.98	6,149,800	614.98

ii) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in indian rupees. The dividend proposed by the Boad of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2013, the amount of per share dividend recognised as distributions to equity shareholders was ₹1.50 (P.Y.₹1.50)

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

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

NAME OF SHAREHOLDER	AS AT 31st MARCH, 2013		AS AT 31st MARCH, 2012	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vitthaldas H. Patel	782,356	12.72%	782,356	12.72%
Vitthaldas H. Patel jointly with Hiraben V. Patel	24,146	0.39%	19,146	0.31%
Hiraben V. Patel Jointly with Vitthaldas H. Patel	382,262	6.22%	363,624	5.91%
Hiraben V. Patel	607,714	9.88%	607,714	9.88%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

4 RESERVES AND SURPLUS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Capital Reserves		
State Capital Investment Subsidy	15.00	15.00
	15.00	15.00
b. General Reserve		
Opening Balance	934.76	734.76
Add : Transfer from the surplus in Statement of Profit & Loss	300.00	200.00
Less : Utilised/Transferred during the year	-	-
Closing Balance	1,234.76	934.76
c. Surplus in Statement of Profit & Loss		
Opening Balance	1,824.06	1,606.63
Add : Net Profit For the current year	551.33	524.62
Less: Appropriation		
Proposed Dividend (Amount per share ₹1.50)	92.25	92.25
Tax on Proposed Dividend	15.68	14.96
Transfer to General Reserves	300.00	200.00
Net surplus in the statement of profit and loss	1,967.45	1,824.04
Total	3,217.21	2,773.80

5 LONG TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Secured		
Term loans		
From Banks		
Indian Rupee Loan (Refer note (i), (ii), (iii) & (iv) below)	745.90	391.65
From Financial Institutions (Refer note (v) below)	1.04	5.02
	746.94	396.67
Unsecured		
Term loans		
From Financial Institutions (Refer note (vi) below)	172.53	172.53
Loans and advances from related parties (Refer note (vii) below)	91.38	-
	263.91	172.53
Total	1,010.85	569.20

Secured

- (i) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 380.34 Lacs, out of which ₹103.40 Lacs is classified as current maturity (P.Y. ₹ 495.05 Lacs). The loan is repayable in 60 Monthly installments of ₹11.50 Lacs each including interest, from March, 2012. The loan is secured by exclusive charge over the three new windmills acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (ii) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 133.41 Lacs, out of which ₹29.68 Lacs is classified as current maturity (P.Y. ₹ Nil). The loan is repayable in 60 Monthly installments of ₹ 5.53 Lacs each including interest, from August, 2012. The loan is secured by exclusive charge over the new Imported Machineries acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

- (iii) Indian Rupee loan from The Ahmedabad Mercantile Co-operative Bank Limited amounting to ₹ 263.96 Lacs , out of which ₹52.79 Lacs is classified as current maturity(P.Y. ₹ Nil). The new loan is repayable in 60 Monthly installments of ₹6.75 Lacs each including interest, from May, 2013. The loan is secured by exclusive charge over the new one windmill to be acquired out of the said loan. Further, the loan has been guaranteed by the personal guarantee of some of the promoter directors.
- (iv) Indian Rupee loan from The Axis Bank Limited amounting to ₹ 770.36 Lacs. The loan is repayable in 60 Monthly installments {(a) 12 EMI of ₹10.00 Lacs each from Oct,2013 to Sept, 2014, (b)12 EMI of ₹15.00 Lacs each from Oct,2014 to Sept, 2015, (c) 12 EMI of ₹20.00 Lacs each from Oct,2015 to Sept, 2016, (d) 23 EMI of ₹ 21.00 Lacs each from Oct,2016 to Aug, 2018, and (e) 1 monthly installment of ₹ 17.00 Lacs}. The loan is secured by exclusive First Hypothecation / EM Charge of the entire movable/ immovable Fixed Assets both Present and Future other than those purchase on Hire Purchase basis and including Factory Land. Further, the loan has been guaranteed by the Corporate Guarantee of all the four Promoter Companies.
- (v) Hire purchase finances for Car amounting to ₹ 5.02 Lacs , out of which ₹3.98 Lacs is classified as current maturity (P.Y. ₹ 8.77 Lacs) is secured by hypothecation of the Car.

Unsecured

- (vi) Unsecured loan amounting to ₹ 172.53 Lacs (P.Y. ₹ 172.53 Lacs) taken from Life Insurance Corporation of India. The loan is availed against Keyman Insurance policies of the key personnels of the Company. The same to be paid on or before the maturity of the respective Keyman Insurance policies i.e. 10th May, 2015 ₹ 26.80 Lacs, 4th June, 2015 ₹ 26.80 Lacs, 24th May, 2015 ₹ 25.65 Lacs, 28th July, 2016 ₹ 18.76 Lacs, 10th May, 2018 ₹ 18.95 Lacs, 4th June, 2015 ₹ 18.95 Lacs, 15th July, 2018 ₹ 18.32 Lacs, 24th August, 2018 ₹ 18.32 Lacs
- (vii) Unsecured loan amounting to ₹ 596.90 Lacs is in the form of External Commercial Borrowings, to be paid after five years from the date of receipt.

6 LONG TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Provision for employee benefits		
Gratuity (Funded) (Refer note 29)	79.72	57.38
Compensated Absences (unfunded)(Refer note 29)	21.58	18.77
Total	101.30	76.15

7. SHORT TERM BORROWINGS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Secured		
Loans repayable on demand		
Cash Credit from Banks (Refer note (i) and (ii) below)	748.87	988.19
	748.87	988.19
Unsecured		
Deposits		
Others	-	2.70
	-	2.70
Total	748.87	990.89

- (i) Working capital loan from The Ahmedabad Mercantile Co. Op. Bank Ltd. of ₹ 748.87 Lacs (P.Y. ₹ 715.32 Lacs). The same is secured by present and future book debts and inventories of the Company, personal guarantee of some of the promoter directors.
- (ii) Working capital loan from The Royal Bank of Scotland of ₹ Nil (P.Y. ₹ 272.87 Lacs). The same was secured by exclusive charge over entire fixed assets of the Company both present and future. Further, the loan was guaranteed by personal guarantee of all the promoter directors.

8 TRADE PAYABLES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Trade payables other than Acceptances (Refer note 36)	806.28	608.25
Total	806.28	608.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

9 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Current maturities of long-term debt (Refer Note (i) to (vi) of Note 5 above)	201.86	194.47
Interest accrued but not due on borrowings	6.14	7.29
Interest accrued and due on borrowings	1.94	-
Unpaid dividends*	15.34	14.96
Other payables		
Statutory and Other Liabilities	24.10	22.05
Payable on Business Acquisition	-	5.87
Creditors for Capital Goods	66.87	53.93
Advances from Customers	59.07	64.27
Total	375.32	362.84

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

10 SHORT TERM PROVISIONS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Provision for employee benefits		
Compensated Absences (unfunded) (Refer Note 29)	7.65	3.79
Provision for Warranty Expenses	1.65	-
Others		
Proposed Dividend	92.25	92.25
Tax on Proposed Dividend	15.68	14.96
Total	117.23	111.00

11 FIXED ASSETS

(₹ in Lacs)

Fixed Assets	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	Balance as at 1st April 2012	Additions during the year	Disposals during the year	As at 31st March, 2013	Balance as at 1st April 2012	Depreciation/ Amortisation charge for the year	On disposals during the year	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
a Tangible Assets										
Land	62.68	149.70	-	212.38	-	-	-	-	212.38	62.68
Buildings	748.17	118.96	-	867.12	128.82	22.31	-	151.13	715.99	619.35
Plant and Equipments	6,715.59	370.89	-	7,086.49	3,841.40	426.24	-	4,267.64	2,818.84	2,874.19
Furniture and Fixtures	148.24	14.21	-	162.45	73.67	9.31	-	82.98	79.47	74.57
Vehicles	185.99	-	35.28	150.71	57.69	15.90	19.96	53.63	97.09	128.30
Office Equipments & Computers	508.53	33.64	14.26	527.92	374.42	30.55	14.26	390.71	137.20	134.11
Electrical Installations	147.21	-	-	147.21	53.99	7.04	-	61.04	86.18	93.22
Total	8,516.42	687.40	49.54	9,154.28	4,529.99	511.35	34.22	5,007.13	4,147.15	3,986.43
b Intangible Assets										
Goodwill	560.44	-	-	560.44	350.83	112.09	-	462.92	97.52	209.61
Computer software	1.53	1.73	-	3.25	0.06	0.41	-	0.47	2.78	1.47
Total	561.96	1.73	-	563.69	350.89	112.50	-	463.39	100.30	211.07
c Capital Work In Progress									297.30	79.32
Total									297.30	79.32
Grand Total	9,078.38	689.13	49.54	9,717.97	4,880.88	623.85	34.22	5,470.52	4,544.75	4,276.82
Previous Year	8,330.02	822.08	73.72	9,078.38	4,326.48	580.02	25.62	4,880.88	4,276.82	4,024.02

1. Building includes Rs 100 towards one equity share fully paid up of Shree Kashi Parekh House Owner's Association
2. Plant and Machinery includes softwares being an integral part of plant and machinery
3. Vehicles includes vehicle acquired on hire purchase term amounting to ₹ 16.52 Lacs. Refer Note 30 for additional information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Advances for Capital Goods	478.28	40.35
Security Deposits	37.92	33.67
Loans and advances to related parties	112.00	-
Total	628.20	74.02

13 OTHER NON-CURRENT ASSETS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Bank Deposits more than 12 months maturity period*	7.97	1.99
Preliminary and Pre-operative expenses	1.65	4.10
Long Term Security Deposits	4.41	-
Unamortised expenses		
Ancillary borrowing costs	2.35	-
Share Issue Expenses	1.00	-
TOTAL	17.38	6.09

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

14 CURRENT INVESTMENTS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Investment in Equity instruments - Unquoted (at Cost)		
3,500(P.Y.3,500) Equity Shares of The Ahmedabad Mercantile Co-operative Bank Ltd.at ₹50 each fully paid up	1.75	1.75
Total	1.75	1.75

15 INVENTORIES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Raw Materials and components	409.54	341.26
Work-in-progress	127.88	112.65
Finished goods	7.42	5.95
Stock-in-trade	4.44	22.36
Stores and spares	46.91	46.36
Goods-in transit	0.97	4.48
Packing Materials	2.66	2.63
Total	599.82	535.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

16 TRADE RECEIVABLES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Unsecured, considered good		
Outstanding from the date they are due for payment		
a. less than six months	1,300.16	1,324.90
b. exceeding six months	96.79	90.58
Total	1,396.95	1,415.48

17 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
a. Cash on hand	12.57	7.01
b. Cheques, drafts on hand	1.74	3.46
c. Balances with banks		
(i) In Current Accounts	90.75	119.25
(ii) In Deposits Accounts with original maturity of less than 3 months	-	1.00
(iii) In Earmarked Accounts		
- Unpaid dividend accounts	15.34	14.96
	120.40	145.68
d. Others		
Bank Deposits with more than 3 months, but below 12 months maturity	7.76	20.40
Total	128.16	166.08

18 SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Unsecured, considered good		
Advance to Suppliers	47.60	29.06
Advance Income Tax (Net of Tax Provisions of ₹ 539.62 Lacs (P.Y. ₹ 358.62 Lacs))	61.65	32.27
Deposits		
To Related Parties	1.74	1.74
To Others	9.39	4.68
Prepaid Expenses	19.87	39.83
Balances with Government Authorities	45.55	9.38
Others		
To Related Parties	2.28	1.46
To Others	39.37	31.06
Total	227.45	149.48

19 OTHER CURRENT ASSETS

PARTICULARS	AS AT 31st MARCH, 2013 (₹ in Lacs)	AS AT 31st MARCH, 2012 (₹ in Lacs)
Unamortised expenses		
Ancillary borrowing costs	0.59	-
Share Issue Expenses	0.25	-
Total	0.84	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

20 REVENUE FROM OPERATIONS

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Sale of products	4,611.06	4,494.76
Less : Excise Duty	511.69	441.04
	4,099.37	4,053.71
Sale of services	2,089.11	1,746.04
Less : Service Tax	229.83	163.33
	1,859.27	1,582.71
Trading Sales	23.90	46.22
Other Operating Revenue		
- Scrap Sales	85.72	72.82
- Others	-	0.66
Less: Discount on sales	31.80	53.15
Total	6,036.47	5,702.97

21 OTHER INCOMES

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Interest Income	10.20	3.27
Dividend Income	0.21	3.16
Recovery of Bad debts written off in earlier years	3.25	7.62
Rent Income	0.23	0.90
Gain on foreign exchange rate fluctuation	0.38	-
Profit on sale of fixed assets (net)	(1.32)	8.88
Business Support Service	18.28	-
Liabilities no longer required written back	5.87	-
Miscellaneous Income	1.37	2.12
Total	38.47	25.96

22 COST OF RAW MATERIAL CONSUMED

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Inventory at the beginning of the year	341.26	338.81
Add : Purchases during the year	2,126.76	1,892.82
	2,468.02	2,231.63
Inventory at the end of the year	409.54	341.26
Total	2,058.48	1,890.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
INVENTORIES AT THE BEGINNING OF THE YEAR		
Finished Goods	5.95	3.35
Work-in-progress	112.65	123.01
Stock-in-trade	22.36	30.95
	140.96	157.32
INVENTORIES AT THE END OF THE YEAR		
Finished Goods	7.42	5.95
Work-in-progress	127.88	112.65
Stock-in-trade	4.44	22.36
	139.74	140.96
CHANGE IN INVENTORIES	1.23	16.36

24 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Salaries, Wages and bonus	951.80	903.90
Contributions to Provident and other funds	72.96	55.26
Staff welfare expenses	98.77	90.50
Total	1,123.53	1,049.66

25 FINANCE COSTS

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Interest expense		
On term loans	86.35	49.66
On working capital loans	94.49	120.37
Others	2.50	27.89
	183.33	197.92
Other borrowing costs	4.23	2.91
Total	187.57	200.83

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

26 OTHER EXPENSES

PARTICULARS	YEAR ENDED 31st MARCH, 2013 (₹ in Lacs)	YEAR ENDED 31st MARCH, 2012 (₹ in Lacs)
Stores, Spares & Consumables	370.77	353.83
Packing Materials Consumed	69.00	71.09
Power, Fuel & Electricity	96.49	144.70
Repairs and Maintenance		
Plant & Machinery	61.75	54.28
Building	50.19	32.10
Others	33.80	23.57
Factory Expenses	31.10	28.71
Rent, Rates & Taxes	25.31	21.96
Legal and Professional Charges	73.24	56.58
Conveyance and Travelling	109.06	95.13
Communication Expenses	22.77	22.08
Stationary, Printing and subscription	14.14	10.53
Insurance Premium	47.05	37.99
Payment to auditors	13.20	8.15
Computer Expenses	9.69	12.67
Bad debts	34.78	61.60
Donation	6.33	3.98
Clearing & Forwarding	78.84	71.81
Sales Commision		
to sole selling agent	-	7.67
to others	26.98	29.32
Advertisement and Business Promotion	69.08	31.58
Royalty Exps	0.97	-
Preliminary & Preoperative Exps Written off	0.55	-
Loss on foreign exchange rate fluctuation (net)	2.21	10.48
Warranty Expenses	1.63	-
Miscellaneous Expenses	52.17	33.44
Total	1,301.11	1,223.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

27 EARNING PER SHARE (EPS)

PARTICULARS	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Basic and Diluted		
Profit attributable to equity share holders (₹ in lacs)	551.33	524.62
Nominal Value of equity share (₹/share)	10	10
Weighted average number of ordinary equity share for Basic EPS (Nos.)	6,149,800	6,149,800
Basic and Diluted EPS (₹/share)	8.96	8.53

28 DEFERRED TAX LIABILITY

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

PARTICULARS	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
Deferred Tax Liability		
Difference between book and tax depreciation	521.80	487.72
	521.80	487.72
Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	(2.21)	(0.80)
	(2.21)	(0.80)
Deferred Tax Liability (net)	519.58	486.91

29 EMPLOYEE BENEFITS

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

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

1. Defined Benefit Plans

I. Expenses recognized in the Statement of Profit and Loss for the year: (₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Current service cost	11.82	10.16	3.43	2.05
Interest Cost	10.78	9.31	1.61	1.66
Expected return on plan assets	(6.75)	(5.42)	-	-
Net actuarial losses (gains)	15.01	2.39	7.32	(1.18)
Total	30.86	16.44	12.36	2.53

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Defined benefit obligation at beginning of the year	128.52	111.67	22.47	19.93
Service cost	11.82	10.16	3.43	2.05
Interest cost	10.78	9.31	1.61	1.67
Actuarial losses (gains)	15.39	2.39	7.32	(1.18)
Benefits paid	(3.37)	(5.01)	(7.15)	-
Defined benefit obligation at year end	163.14	128.52	27.68	22.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Fair value of plan assets at beginning of the year	71.15	52.65	-	-
Expected return on plan assets	6.75	5.42	-	-
Actuarial gains and (losses)	0.38	-	-	-
Contributions by employer	7.92	18.08	-	-
Benefits paid	(3.37)	(5.00)	-	-
Adjustment to fund	0.60	-	-	-
Fair value of plan assets at year end	83.43	71.15	-	-

IV. Investment details:

Particulars	% invested as at 31st MARCH, 2013	% invested as at 31st MARCH, 2012
Insurance Company	100%	100%

V. Actuarial Assumptions: (₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.00%	8.50%	8.00%	8.50%
Expected Return on plan assets (per annum)	9.15%	9.15%	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

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

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Present value of defined benefit obligations at the end of the year (Independent actuary)	70.50	80.01	97.79	111.67	128.52
Fair value of plan assets at the end of the year	27.32	32.62	45.11	52.65	71.15
Net assets / (Liability) at the end of the year	43.18	47.39	52.68	59.02	57.37

2. Defined Contribution Plans.

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

PARTICULARS	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Employer's Contribution to Provident Fund	36.11	32.38
Employers' Contribution to Superannuation Fund	6.07	6.22

30 LEASES

The Company has taken vehicles on hire purchase financing and hire purchase installments amounting to ₹0.42 Lacs (P.Y. ₹0.44 Lacs) have been charged to the Statement of Profit and Loss. The future minimum hire purchase installments are as under:

(₹ in Lacs)

Particulars	As at 31st MARCH, 2013	As at 31st MARCH, 2012
Not later than 1 year	3.98	3.75
Later than 1 year but not later than 5 years.	1.03	5.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

The Company has taken immovable properties on operating lease and lease rent amounting to ₹ 14.95 Lacs (P.Y. ₹ 15.14 Lacs) have been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

(₹in Lacs)

Particulars	As at 31st MARCH, 2013	As at 31st MARCH, 2012
Not later than 1 year	15.18	14.22
Later than 1 year but not later than 5 years.	1.69	4.14

31 CAPITAL AND OTHER COMMITMENTS

(₹in Lacs)

Particulars	As at 31st MARCH, 2013	As at 31st MARCH, 2012
Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of Advance)	71.56	22.09
Estimated amount of investment to be made in joint venture	60.00	142.00

32 CONTINGENT LIABILITIES

(₹in Lacs)

Particulars	As at 31st MARCH, 2013	As at 31st MARCH, 2012
Disputed demand of Income tax against which the Company has preferred appeal	73.19	18.25
Bills Discounted	51.36	72.69

The Board of Directors have in their meeting held on 05th November, 2012 passed a resolution for providing Corporate Guarantee for an amount of ₹ 1190.00 Lacs in favour of Axis Bank Limited for the Term Loan provided to HMSU Rollers (India) Private Limited, a Joint Venture Company. However, an application is being made to Ministry of Corporate Affairs for sorting their prior approval before executing the said Corporate Guarantee. The application is still under process at Ministry.

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

33 RELATED PARTY DISCLOSURES

a) Related parties and their relationship

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

(₹in Lacs)

Nature of transactions	Key Management Personnel and their relatives	Entities controlled by Key Management Personnel	Individuals exercising significant influence over the enterprise	Total
Contribution in equity share capital received		80.00 -		80.00 -
Sale of goods		0.74 (4.88)		0.74 (4.88)
Purchase of goods		404.31 (118.80)		404.31 (118.80)
Purchase of Fixed Assets		55.57 -		55.57 -
Rent Paid		15.74 (11.96)		15.74 (11.96)
Rent Received		0.23 (0.90)		0.23 (0.90)
Commission paid/provided		- (12.06)		- (12.06)
Services received		- (1.47)		- (1.47)
Interest Paid/Provided	- (0.75)	4.16 (13.19)	- (2.77)	4.16 (16.71)
Acceptance of Unsecured Loans/ECB		90.50 -		90.50 -
Acceptance of Fixed Deposit		- (55.00)	-	- (55.00)
Repayments of Deposits	- (11.80)	- (164.50)	- (70.25)	- (246.55)
Dividends paid	10.77 (8.74)		20.99 (14.83)	31.76 (23.57)
Remuneration	131.15 (123.53)		81.32 (94.26)	212.47 (217.79)
Outstanding balance (Cr.)		404.98 (98.40)		404.98 (98.40)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
c) Disclosure in respect of material transactions with related parties

(₹ in Lacs)

Nature of transactions	Name of the related party	YEAR ENDED 31st MARCH, 2013	YEAR ENDED 31st MARCH, 2012
Contribution in equity share capital received	Hannecard N.V.	30.00	-
	Mitex GMBH	30.00	-
	Unimark International Private Limited	20.00	-
Sale of goods	Re S.p.A Controlli Industriali	0.74	0.25
Purchase of goods	Re S.p.A Controlli Industriali	384.69	118.80
	Hannecard N.V.	12.49	-
	Mitex GMBH	7.13	-
Purchase of Fixes Assets	Hannecard N.V.	27.27	-
	Mitex GMBH	25.03	-
	H&M ROLLERS TECHNOLOGIES (PTY)LTD-SA	3.26	-
Rent Paid	Stylus Infrastructure Pvt. Ltd	8.54	6.55
	Hira Corporation	7.20	5.41
Commission paid/provided	Shilp Ultratech Private Limited	-	12.06
Services received	Shilp Ultratech Private Limited	-	1.47
Interest Paid	Dr. Baldev Patel	-	2.11
	Stylus Infrastructure Private Limited	-	12.29
	Hannecard N.V.	1.23	-
	Mitex GMBH	1.23	-
	Unimark International Private Limited	1.70	-
Acceptance of Unsecured Loans/ECB	Hannecard N.V.	31.25	-
	Mitex GMBH	31.25	-
	Unimark International Private Limited	28.00	-
Acceptance of Fixed Deposit	Stylus Infrastructure Private Limited	-	55.00
Repayment of Deposits	Narendra R. Patil	-	7.00
	Dr. Baldev Patel	-	53.00
	Stylus Infrastructure Private Limited	-	154.50
Dividends paid	Mr. Ambar J. Patel	3.66	3.05
	Mr. Atul Vinchhi	4.57	3.77
	Mr. G.V. Bhavsar	4.75	3.96
	Dr. Baldev Patel	-	7.00
Remuneration	Mr. Ambar J. Patel	38.61	40.52
	Mr. Roshan Shah	38.16	40.14
	Mr. Narendra Patil	38.16	40.14
	Mr. Atul Vinchhi	38.16	40.14
	Mr. G.V. Bhavsar	38.16	40.14
	Mr. Shailesh K. Shah	12.62	9.07
Outstanding balance (Cr.)	Shilp Ultratech Private Limited	14.59	14.76
	Re S.p.A Controlli Industriali	279.78	83.64
	Hannecard N.V.	43.94	-
	Mitex GMBH	38.67	-
	Unimark International Private Limited	28.00	-

34 SEGMENT REPORTING

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

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

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

(Figures in brackets represent previous year numbers)

Particulars	Engraved Copper Roller	Wind Mill	Others	Unallocated	Total
Sales	5,187.93 (4,858.22)	187.00 (94.99)	848.53 (844.76)		6,223.47 (5,797.96)
Less: Inter segment sales		187.00 (94.99)			187.00 (94.99)
Segment revenue	5,187.93 (4,858.22)	- -	848.53 (844.76)		6,036.47 (5,702.97)
Segment results	818.05 (853.15)	114.89 (61.72)	22.13 (29.73)		955.07 (944.60)
Assets	4,114.36 (3,891.52)	1,182.35 (889.12)	942.01 (617.04)	1,306.57 (1,227.74)	7,545.30 (6,625.41)
Liabilities	1,437.19 (1,734.51)	157.77 (112.47)	446.95 (223.53)	1,637.52 (1,134.72)	3,679.43 (3,205.24)

35 FINANCIAL AND DERIVATIVE INSTRUMENTS

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

Particulars		Foreign Currency	Indian Currency Equivalent (₹ in Lacs)
Amounts receivable in foreign currency	AS AT 31ST MARCH, 2013	USD 18092.46	9.82
		EURO 6010.72	4.18
	AS AT 31ST MARCH, 2012	USD 16448.00	8.35
Amounts payable in foreign currency	AS AT 31ST MARCH, 2013	USD 21290.00	11.56
		EURO 557896.07	387.71
		ZAR 256184.03	15.04
		CHF 50566.26	28.82
	AS AT 31ST MARCH, 2012	CHF 24802.90	14.17
		EUR 122225.14	84.15
		USD 11270.00	5.72
Amounts payable in foreign currency against Foreign Loan	AS AT 31ST MARCH, 2013	EURO 456000	316.70
	AS AT 31ST MARCH, 2012	-	-

36 DISCLOSURES UNDER THE MSMED ACT, 2006

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

37 INTEREST IN JOINT VENTURE

The Company has entered into a Joint Venture Agreement with three Companies namely, Hannecard N.V., Mitex GmbH and Unimark International Private Limited to incorporate a Joint Venture Company in the name of HMSU Rollers (India) Private Limited on 1st February, 2012. The said Joint Venture Company will be engaged in the manufacturing of Rubber Rollers and Poly Urethane Rollers. The newly formed Company has yet not commenced its commercial operations.

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

Name of companies and country of incorporation	% of shareholding	Amount of interest based on accounts for the year ended 31 March, 2013 (₹ in lacs)			
		Assets	Liabilities	Capital commitments	Contingent Liability
HMSU Rollers (India) Pvt. Ltd, India	20%	430.37	430.37	60.00	-

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

Loans and Advances in the nature of loans given to joint venture : (₹ in lacs)

Name of the Company	Relationship	As at 31st March, 2013	Maximum Balance outstanding during the year
HMSU Rollers (India) Pvt. Ltd, India	Joint Venture	430.37	430.37

- 39 Figures pertaining to the subsidiary company and joint venture have been reclassified wherever necessary to bring them in line with the Company's financial statements.
- 40 Balance of Receivables , Payables, and loans and advances to parties are subject to their confirmation. These balances therefore, subject to adjustment, if any , as may be required on settlement of these balances with the parties
- 41 Figures of previous year have been regrouped / reclassified, wherever necessary, to make them comparable.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 4th May, 2013

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

Ambar J. Patel
Managing Director

Gajanan V. Bhavsar
Executive Director

Place: Rakanpur
Date : 4th May, 2013

Roshan H. Shah
Executive Director

Pragnesh Darji
Company Secretary

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)
--	--

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND

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

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

Date from which the mandate should be effective : _____

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

PLACE : _____

(Signature of Sole/ First holder)

DATE : _____



SHILP GRAVURES LIMITED

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

**ANNUAL GENERAL MEETING
PROXY FORM**

I/ We _____ of _____ being a member/ members of SHILP GRAVURES LIMITED hereby appoint _____ of _____ or failing him/ her _____ of _____ as my / our representative to attend and vote for me/ us on my/ our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company on Wednesday 14th August, 2013 at 05.00 p.m. and any adjournment thereof.

Signed this _____ day of _____ 2013

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 TWENTIETH ANNUAL GENERAL MEETING of the Company at 5.00 p.m. on Wednesday, 14th August, 2013 at the registered office of the Company.

Signed this _____ day of _____ 2013

Ledger Folio No. _____

DP ID* _____

Client ID* _____

No. of Shares held _____

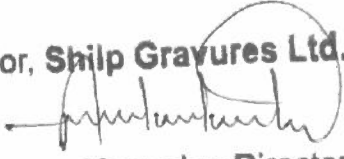
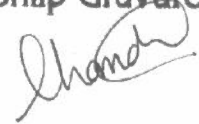
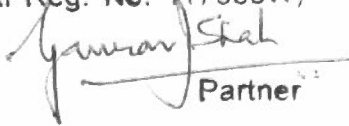
* Applicable for the members holding Shares in electronic form.

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



FORM A

Format of Covering letter of the annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	Shilp Gravures Limited
2.	Annual Financial statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	Un-Qualified
4.	Frequency of Observation	Since Incorporation
5.	To be Signed By:	
	CEO/ Managing Director: Mr. Ambar J. Patel	<p>For, Shilp Gravures Ltd.</p>  <p>Managing Director</p>
	CFO: Mr. Chandraprakash G. Devpura	<p>For, Shilp Gravures Ltd.</p>  <p>Director / Authorised Signatory</p>
	Auditor of the Company: M/s. Deloitte Haskins & Sells	<p>For Deloitte Haskins & Sells Chartered Accountants (ICAI Reg. No. 117365W)</p>  <p>Partner</p>
	Audit Committee Chairman: Mr. Chinubhai R. Shah	