



**GUJARAT CRAFT  
INDUSTRIES LTD**

[CIN: L29199GJ1984PLC007130]

**Head office & Works**

431, Santej-Vadsar Road, Santej – 382 721, Tal.: Kalol, Dist.: Gandhinagar (Gujarat) INDIA  
Ph. : +91 2764 248337/39/42 | Fax.: + 91 2764 248334

**Ahmedabad Office**

35, Omkar House, Nr. Swastik Cross Roads, C. G. Rd, Ahmedabad – 380 009 (Gujarat) INDIA  
Ph. : +91 79 26449515 | Fax.: + 91 79 26425701

E-mail: info@gujaratcraft.com | Web: www.gujaratcraft.com

27<sup>th</sup> September, 2018

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

Company Code No. 526965

Dear Sirs;

**Sub: Submission of Adopted Annual Report 2017-18**

Please note that the members in their 34<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2018 have approved and adopted the Annual Report 2017-18.

We are sending herewith approved and adopted Annual Report 2017-18 pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015.

Kindly take the same in on records.

Thanking you,

Yours faithfully,

**for GUJARAT CRAFT INDUSTRIES LIMITED**

  
**ASHOK CHHAJER  
MANAGING DIRECTOR**



Encl: As above.

PS.: Scanned copy of approved & adopted Annual Report 2017-18 is uploaded on listing module of BSE Limited.

**34<sup>TH</sup> ANNUAL REPORT**  
**2017-18**



GUJARAT CRAFT  
INDUSTRIES LTD

**[CIN : L29199GJ1984PLC007130]**

# GUJARAT CRAFT INDUSTRIES LIMITED

[CIN: L29199GJ1984PLC007130]

## 34<sup>TH</sup> ANNUAL REPORT 2017-18

<b>BOARD OF DIRECTORS</b>	: Mr. Anilkumar Bhandari Mr. Ashok Chhajjer Mr. Rishab Chhajjer Mr. Kashyap R. Mehta Ms. Swati Pipara	Chairman Managing Director Joint Managing Director Director Director
<b>MANAGEMENT TEAM</b>	: Mr. Raichand M. Golchha	Chief Financial Officer
<b>STATUTORY AUDITORS</b>	: Arpit Patel & Associates, Chartered Accountants, Ahmedabad	
<b>COMPANY LAW CONSULTANT</b>	: Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad	
<b>BANKERS</b>	: State Bank of India	
<b>REGISTERED OFFICE &amp; WORKS</b>	: Plot No.431, Santej-Vadsar Road, Village : Santej, Taluka : Kalol - 382 721, District : Gandhinagar	
<b>CITY OFFICE</b>	: 35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad - 380 009	
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	: Link Intime (India) Private Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006	
<b>WEBSITE</b>	: <a href="http://www.gujaratcraft.com">www.gujaratcraft.com</a>	

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice	1-5
Directors' Report including Corporate Governance Report and Secretarial Audit Report	6-30
Independent Auditors' Report	31-35
Balance Sheet	36
Profit & Loss Account	37
Cash Flow Statement	38
Notes on Financial Statement	40-78

---

**NOTICE**

NOTICE is hereby given that the **34<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of **GUJARAT CRAFT INDUSTRIES LIMITED** will be held as scheduled below:

Date : 27<sup>th</sup> September, 2018  
Day : Thursday  
Time : 1.00 p.m  
Place : At the Registered Office of the Company at:  
Plot No.431, Santej-Vadsar Road, Village : Santej,  
Taluka : Kalol - 382 721, Dist : Gandhinagar

To transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Chhajer (DIN – 00280185), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To consider and if thought fit to pass with or without modification[s] the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with applicable provisions of Companies (Meetings of Board and its powers) Rules, 2014, as amended from time to time (including any other applicable rules and regulations framed under the Companies Act, 2013), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to make investment or to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate whether Indian or overseas, to give loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with any loan taken by any other body corporate or person, as may be required from time to time, exceeding 60% of the paid up Share Capital and Free Reserves and Securities Premium of the Company or 100% of Free Reserves and Securities Premium of the Company, whichever is more, as the Board of Directors may think fit, in one or more tranches, not exceeding ` 30 Crores (Rupees Thirty Crores) only over and above the limits prescribed under the above referred Section or any other provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above investment/loan/guarantee/security including the timing, amount and other terms and conditions of said act and varying the same either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things as may deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution.”

**Registered Office:**  
Plot No. 431, Santej-Vadsar Road,  
Village:Santej, Taluka:Kalol-382 721,  
Dist:Gandhinagar.  
Date : 20<sup>th</sup> July, 2018

**By Order of the Board,**

**Ashok Chhajer**  
**Managing Director**

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from **7<sup>th</sup> September, 2018 to 27<sup>th</sup> September, 2018** (both days inclusive) for the purpose of Annual General Meeting (AGM).

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
5. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA).
6. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/ confirmation at the ensuing Annual General Meeting is provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
8. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
9. The Shareholders holding Shares in Physical form are advised to seek their shareholding changed to dematerialised form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
10. **This is to bring to the notice of the Shareholders that the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 5th December, 2018 pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018. Hence Shareholders are advised to get their physical shares transferred / dematerialized.**
11. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
12. Members/Proxies are requested to bring duly filled attendance form along with their copy of Annual Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting.
13. All documents referred to in the Notice and Explanatory Statement shall be available for inspection by members at the Registered Office of the Company during the business hours between 11.00 a.m. to 1.00 p.m. on all working days of the Company up to the date of the Annual General Meeting.
14. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

15. In support of the ‘Green Initiative’ announced by the Government of India, electronic copies of the Annual Report for 2017-18 and this Notice inter alia indicating the process and manner of e-voting along with Attendance Form and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company’s website, [www.gujaratcraft.com](http://www.gujaratcraft.com) and that of Central Depository Services (India) Limited (“CDSL”), [www.evotingindia.com](http://www.evotingindia.com).
16. Members and proxies thereof are requested to bring their Folio No. / DP Id-Client Id for identification.

**17. VOTING THROUGH ELECTRONIC MEANS**

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (‘remote e-voting’) is provided by Central Depository Services (India) Limited.
- (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. **E-voting facility will not be made available at the AGM venue.**
- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences at **9.00 a.m. on Monday, 24<sup>th</sup> September, 2018 and ends at 5:00 p.m. on Wednesday, 26<sup>th</sup> September, 2018.** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 20<sup>th</sup> September, 2018**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

**The procedure and instructions for remote e-voting are, as follows:**

- (i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Now click on “Shareholders” to cast your votes.
- (iii) Now, fill up the following details in the appropriate boxes:

User ID	a. For CDSL : 16 digits Beneficiary ID
	b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
	c. Members holding shares in Physical Form should enter Folio Number registered with the Company

- (iv) Next, enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are holding shares in demat form and has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ Address Slip/ email pertaining to the notice of this Annual General Meeting.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on Electronic Voting Sequence Number (EVSN) of GUJARAT CRAFT INDUSTRIES LIMITED.

(xii) On the voting page, you will see ‘Resolution Description’ and against the same, the option ‘YES/NO’ for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the ‘RESOLUTIONS FILE LINK’ if you wish to view the entire Resolution details.

(xiv) After selecting the Resolution, you have decided to vote on, click on ‘SUBMIT’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘OK’, else to change your vote, click on ‘CANCEL’ and accordingly modify your vote.

(xv) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on ‘Click here to print’ option on the Voting page.

(xvii) Shareholders can also use Mobile app - “m - Voting” for e-voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

(xviii) Note for Non – Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (f) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (g) **Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad** has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. **E-voting facility will not be made available at the AGM venue.**
- (i) The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than two days from the conclusion of meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (j) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gujaratcraft.com](http://www.gujaratcraft.com) and on the website of CDSL- [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

#### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 34<sup>TH</sup> ANNUAL GENERAL MEETING DATED 20<sup>TH</sup> JULY, 2018.

##### In respect of Item No. 3 :

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can:

- make loan(s) and/or
- give guarantees or provide security (ies) in connection with loan(s) taken by any other body corporate or person and
- make investments in shares, debentures and/or any other securities of any other body Corporates,

beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if Special Resolution is passed by the members/ shareholders of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment(s)/giving loan/providing guarantee/ security from time to time, in one or more tranches, up to the maximum limit of ` 30 Crores (Rupees Thirty Crores) only over and above the limits prescribed under the said section.

The Board recommends the resolution for your approval as a Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or any relatives of such Director or KMPs are in any way concerned or interested or deemed to be concern or interested, financially or otherwise, in the proposed resolution.

##### Registered Office:

Plot No. 431,  
Santej-Vadsar Road,  
Village:Santej,  
Taluka:Kalol-382 721,  
Dist:Gandhinagar.  
Date : 20<sup>th</sup> July, 2018

By Order of the Board,

Ashok Chhajer  
Managing Director



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 34<sup>th</sup> ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2017-18 ended on 31<sup>st</sup> March, 2018.

### 1. FINANCIAL RESULTS:

(` in lakh)

Particulars	2017-18	2016-17
Operating Profit (Before Interest & Depreciation)	810.72	720.70
Less : Financial Cost	444.27	379.93
Profit before Depreciation	366.45	340.77
Less : Depreciation and amortization expense	172.51	172.21
Profit before Tax	193.94	168.56
Less : Tax expenses	23.26	46.14
Profit after tax	170.68	122.42
Add: Other Comprehensive income	0.66	1.09
Total Comprehensive Income for the year	171.34	123.51
Add: Balance Brought Forward from Previous year	981.70	858.19
Balance carried to Balance Sheet	1153.04	981.70

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2018 and date of this report.

### 2. DIVIDEND:

With a view to conserve the resources for the working capital requirement of the Company, your Directors have not recommended any dividend for the year under review.

### 3. REVIEW OF OPERATIONS:

The revenue from operations during the year under review was ` 130.50 Crores as compared to ` 101.63 Crores during 2016-17.

The Operating Profit (Before Interest and Depreciation) was ` 810.72 lakh during the year under review compared to ` 720.68 lakh during 2016-17. The Profit before Tax for the year under review was ` 193.94 lakh against ` 168.56 lakh during 2016-17. The Net Profit of the Company stood at ` 170.68 lakh compared to ` 122.42 lakh for the year 2016-17.

The Company has made export at FOB value of ` 80.41 Crores during the year under review compared to ` 59.95 Crores during 2016-17. The management is of the firm opinion that during the current year, the export market will improve and in turn, the exports of the Company will increase to a greater extent.

### 4. RECOGNITION AS EXPORT HOUSE:

The Director General of Foreign Trade, on the basis of Export performance of the Company, has accorded / recognised the Company as One Star Export House.

### 5. FINANCE:

The Company is enjoying Financial Assistance in the form of term loans and working capital facilities from State Bank of India.

### 6. DIRECTORS:

6.1 One of your Directors viz. Mr. Ashok Chhajer (DIN: 00280185) retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers himself for reappointment.

6.2 The Board of Directors duly met 6 times during the financial year under review.

6.3 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

6.4 Formal Annual Evaluation:

The Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

6.5 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2018 being end of the financial year 2017-18 and of the profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**7. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

**8. MANAGERIAL REMUNERATION:**

REMUNERATION OF DIRECTORS:

Sr. No.	Name of the Director & Designation	Remuneration for the year 2017-18	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1.	Mr. Ashok Chhajer, Managing Director	₹ 19,80,000/-	50.00%	-	₹ 1,68,000	11.79	N.A.
2.	Mr. Rishab Chhajer, Jt. Managing Director	₹ 15,39,286/-	110.65%	-	₹ 1,68,000	9.16	N.A.

The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

The Nomination and Remuneration Policy are available on the Company's website- [www.gujaratcraft.com](http://www.gujaratcraft.com).

## 9. KEY MANAGERIAL PERSONNEL:

% INCREASE IN REMUNERATION OF DIRECTORS & KMP:

Sr. No.	Name of the Director & KMP	Designation	Percentage Increase (If any)
1.	Mr. Ashok Chhajer	Managing Director	50.00%
2.	Mr. Rishab Chhajer	Jt. Managing Director	110.65%
3.	Mr. Raichand Golchha	CFO	-
4.	Ms. Anchal Bansal#	Company Secretary	20%

# Resigned w.e.f. 30<sup>th</sup> April, 2018 after the closure of business hours of the Company.

## 10. PERSONNEL AND H. R. D.:

### 10.1 INDUSTRIAL RELATIONS:

The industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H. R. D.

The Number of permanent Employees of the Company are 108. The relationship between average increase in remuneration and Company's performance is as per the appropriate performance benchmarks and reflects short and long term performance objectives appropriate to the working of the Company and its goals.

### 10.2 PARTICULARS OF EMPLOYEES:

There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

## 11. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.gujaratcraft.com](http://www.gujaratcraft.com).

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

The information required under Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of **Annexure- A**.

## 13. CORPORATE GOVERNANCE AND MDA:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance and Management Discussion and Analysis (MDA) and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - B**.

**14. SECRETARIAL AUDIT REPORT:**

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Pinakin Shah & Co., Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – C**.

The remarks of auditor and notes on accounts are self explanatory.

**15. EXTRACT OF ANNUAL RETURN:**

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – D**.

**16. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The details of various committees and their functions are part of Corporate Governance Report.

**17. DEMATERIALISATION OF EQUITY SHARES:**

Shareholders have an option to dematerialise their shares with either of the depositories viz. NSDL & CDSL. ISIN for Equity Shares of the Company is: INE372D01019.

**18. LISTING:**

The Equity Shares of the Company are listed at BSE Limited. The Company is generally regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2018-19.

The Company, being listed at BSE Limited (Designated & Nationwide Stock Exchange), received a letter dated 2<sup>nd</sup> November, 2017 from The Ahmedabad Stock Exchange Limited (ASEL) intimating delisting of securities from ASEL pursuant to the SEBI directions.

**19. GENERAL:**

**19.1. STATUTORY AUDITORS:**

At the 33<sup>rd</sup> Annual General Meeting held on 27<sup>th</sup> September, 2017 M/s. Arpit Patel & Associates, Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company to hold office for the period of 5 years i.e. for the financial years 2017-18 to 2021-22.

The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

**19.2 INSURANCE:**

The movable and immovable properties of the Company including Plant and Machinery and stocks wherever necessary and to the extent required have been adequately insured against the risks of fire, riot, strike, malicious damage etc.

**19.3 DEPOSITS:**

The Company has not accepted any Deposits from general public or from Shareholders during the year under review.

**19.4 RISKS MANAGEMENT POLICY:**

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work are monitored regularly with reference to statutory regulations and guidelines defined by the Company.

**19.5 SUBSIDIARIES/ ASSOCIATES/ JVS:**

The Company does not have any Subsidiary/ Associate Company / JV.

**19.6 CODE OF CONDUCT:**

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

**19.7 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There has been no significant and material orders passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

**19.8 ENVIRONMENT AND SAFETY:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

**19.9 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place an Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

**19.10 GRATUITY:**

The Company has entered in to an agreement with Life Insurance Corporation of India for covering its Gratuity Liability and has thus provided for the same. A Gratuity Trust Fund has been created with Life Insurance Corporation of India.

**19.11 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

**20. DISCLOSURE OF ACCOUNTING TREATMENT:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**21. ACKNOWLEDGMENT:**

Your Directors express their sincere gratitude for the assistance and co-operation extended by Financial Institutions, Banks, Government Authorities, Shareholders, Suppliers and Customers.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at their levels towards achievements of the Company's goals.

**For and on behalf of the Board,**

Place : Ahmedabad.  
Date : 20<sup>th</sup> July, 2018

**Anilkumar Bhandari**  
**Chairman**

**(A) CONSERVATION OF ENERGY:**

Steps taken or impact on conservation of energy	In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption.  The Company has installed Power factor panels so as to reduce overall power consumption.
Steps taken by the company for utilising alternate sources of energy	No significant steps have been taken during the year under review
Capital investment on energy conservation equipments	-

**(B) TECHNOLOGY ABSORPTION:**

Efforts made in Research and Development and Technology Absorption is as under:		
1.	Research & Development (R & D):	
(a)	Specific areas in which R&D carried out by the Company.	New product development and improvement in Quality.
(b)	Benefits derived as a result of the above R&D	Increase in the range of products in its volume of contribution in increased sales turnover.
(c)	Future plan of action	To maintain improved quality of products through quality control.
(d)	Expenditure on R&D	NIL
2.	Technology absorption, adoption and innovation:	
		The Company does not envisage any technology absorption.

**(C) FOREIGN EXCHANGE EARNINGS & OUTGO:**

	2017-18	2016-17
Total Foreign exchange earnings	₹ 85.02 Crore	₹ 59.95 Crore
Total Foreign Exchange expenditure	₹ 13.94 Lakh	₹ 17.53 Lakh

**For and on behalf of the Board,**

Place : Ahmedabad.  
Date : 20<sup>th</sup> July, 2018

**Anilkumar Bhandari**  
**Chairman**

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2018 and also up to the date of this Report.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability.

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long-term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulation) is given below:

### 2. BOARD OF DIRECTORS:

#### a) Composition and Category of Directors as on 31<sup>st</sup> March, 2018 and also on the date of this report:

Name of Directors	Category of Directorship	No. of other Directorships@	No. of Committee position in other companies**		No. of Board Meetings attended during 2017-18	Attendance at the AGM held on 27-09-2017 Yes(Y)/No(N)
			Member	Chairman		
Ashok Chhajer, Managing Director	Promoter-Executive	3	1	—	6	Y
Rishab Chhajer, Joint Managing Director	Promoter-Executive	—	—	—	6	N
Kashyap R. Mehta	Independent Non-Executive	3	2	2	6	Y
Anilkumar Bhandari	Independent Non-Executive	—	—	—	6	Y
Swati Pipara	Independent Non Executive	—	—	—	6	N

@ Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded

\*\* For the purpose of reckoning the limit of committees, only chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee has been considered

- Mr. Ashok Chhajer and Mr. Rishab Chhajer are related to each other.

**b) Details of the Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting:**

Name of Director	Mr. Ashok Chhajer
Date of Birth	02-02-1958
Date of Appointment	01-10-2004
Qualifications	Commerce Graduate
Expertise in specific functional areas	Management & Administration
List of Public Limited Companies in which Directorships held	APA Finance Limited Indian Agrotech Limited Typhoon Financial Services Limited
List of Private Limited Companies in which Directorships held	Castle Housing Development Pvt Ltd Technomod Properties Pvt Ltd Worldwide Impex Private Limited Rishabh Business Pvt Ltd Bosco Chemtex Pvt Ltd Garima Properties Pvt Ltd
List of LLPs in which Designated Partner	Rishabh Infracorp LLP
Chairman/Member of the Committees of the Board of Directors of our Company	NIL
Chairman/Member of the Committees of Directors of other Companies	Member in Stake Holder Relationship Committee of Typhoon Financial Services Limited
Shareholding in the Company	14,03,000 Equity Shares of ` 10/- each

**c) Board Procedures:**

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial year 2017-18 were held on 30<sup>th</sup> May, 2017, 20<sup>th</sup> July, 2017, 14<sup>th</sup> September, 2017, 7<sup>th</sup> December, 2017, 14<sup>th</sup> December, 2017 and 14<sup>th</sup> February, 2018.

**d) Shareholding of Non- Executive Directors as on 31<sup>st</sup> March, 2018:**

None of the Non-Executive Directors of the Company hold any Equity Share or convertible securities in the Company.

**e) Familiarisation Program for Independent Directors:**

The details of the familiarization program are available on the Company's website – [www.gujaratcraft.com](http://www.gujaratcraft.com)



### 3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on the date of the Report:

Name of the Directors	Expertise	Terms of reference & Functions of the Committee	No. of Meetings Attended during 2017-18
Anilkumar Bhandari, Chairman	Majority members are Non-executive Independent. Chairman is Independent-Non Executive Director and majority members are Independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	4 of 4
Kashyap R. Mehta			4 of 4
Rishab Chhajjer			4 of 4

The Audit Committee met 4 times during the Financial Year 2017-18. The maximum gap between two meetings was not more than 120 days. The Committee met on 30<sup>th</sup> May, 2017, 14<sup>th</sup> September, 2017, 14<sup>th</sup> December, 2017 and 14<sup>th</sup> February, 2018. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

### 4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee consists of the following Directors as on the date of the Report:

Name of the Directors	Functions of the Committee	No. of Meetings Attended during 2017-18
Kashyap R. Mehta, Chairman	All Committee members are Non-executive Independent. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	During the year under review, meeting of Nomination & Remuneration Committee was held on 20-07-2017.
Anilkumar Bhandari		
Swati Pipara		

#### Term of reference & Remuneration Policy:

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

#### Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

### 5. REMUNERATION OF DIRECTORS:

- The Company paid Managerial Remuneration of ` 35.19 Lakh to Managing Director & Joint Managing Director during the year 2017-18.
- No Sitting Fees, Commission or Stock Option has been offered to the Directors.
- No Stock Option has been offered to the Directors.

4. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
5. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
6. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
7. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
8. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31<sup>st</sup> March, 2018.

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company. The Committee comprises the following Directors as members as on the date of the Report:

1. Mr. Kashyap R. Mehta Chairman
2. Mr. Rishab Chhajer Member

The Company received & resolved a complaint during the year under review. There was no valid request for transfer of shares pending as on 31<sup>st</sup> March, 2018.

Ms. Anchal Bansal, Company Secretary was the Compliance Officer for the above purpose upto 30<sup>th</sup> April, 2018. Mr. Ashok Chhajer is elevated as Compliance Officer w.e.f. 1<sup>st</sup> May, 2018

**7. GENERAL BODY MEETINGS:**

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2014-15	24-09-2015	12.00 noon	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar. <b>No Special Resolution was passed.</b>
2015-16	27-09-2016	12.00 noon	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar. <b>Special Resolution:</b> Authority to Board of Directors to make Investment under Section 186 of the Companies Act, 2013.
2016-17	27-09-2017	1.00 p.m.	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar. <b>Special Resolution:-</b> - Re-appointment of Mr. Rishab Chhajer as Joint Managing Director of the Company. - Re-appointment of Mr. Ashok Chhajer as Managing Director of the Company. - Authority to Link Intime Pvt. Ltd. (RTA) for maintaining register of members together with the Index of Members of the Company and Copies of Annual Returns.

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2017-18.

#### 8. MEANS OF COMMUNICATION:

In compliance with the requirements of the SEBI (LODR) Regulations, the Company regularly intimates Unaudited / Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are also displayed on Company's website [www.gujaratcraft.com](http://www.gujaratcraft.com). The reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large.

During the year ended on 31<sup>st</sup> March, 2018, no presentations were made to Institutional Investors or analyst or any other enterprise.

#### 9. GENERAL SHAREHOLDERS' INFORMATION:

a)	Registered Office	Plot No.431, Santej-Vadsar Road, Village: Santej, Taluka : Kalol-382 721, Dist : Gandhinagar.				
b)	Annual General Meeting	Day : Thursday Date : 27 <sup>th</sup> September, 2018 Time : 1.00 p.m Venue : Plot No. 431, Santej - Vadsar Road, Village: Santej, Taluka : Kalol - 382 721, Dist : Gandhinagar.				
c)	Financial Calendar	1st Quarter Results Mid - August, 2018. Half-yearly Results Mid - November, 2018. 3rd Quarter Results Mid - February, 2019. Audited yearly Results End - May, 2019.				
d)	Book Closure Dates	From : Friday, the 7 <sup>th</sup> September, 2018 To : Thursday, the 27 <sup>th</sup> September, 2018 (Both days inclusive).				
e)	Dividend Payment Date	Not applicable.				
f)	Listing of Shares on Stock Exchanges	<b>BSE Limited (BSE),</b> P. J. Towers, Dalal Street, Fort, Mumbai 400 001 The Company has paid the annual listing fees for the financial year 2018-19. The Ahmedabad Stock Exchange Limited has been derecognised as 'Stock Exchange' and has been granted Exit by SEBI vide its Order dated 2 <sup>nd</sup> April, 2018.				
g)	Stock Exchange Code	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><u>Stock Exchange</u></td> <td style="text-align: center;"><u>Code</u></td> </tr> <tr> <td style="text-align: center;">BSE</td> <td style="text-align: center;">526965</td> </tr> </table>	<u>Stock Exchange</u>	<u>Code</u>	BSE	526965
<u>Stock Exchange</u>	<u>Code</u>					
BSE	526965					
h)	Registrar and Share Transfer Agents (for both Physical and Demat Segment of Equity Shares) of the Company :	<b>Link Intime India Pvt. Ltd.</b> 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006 Email: ahmedabad@linkintime.co.in				
i)	ISIN	INE372D01019				
j)	Share Transfer System :	The transfer of shares in physical form is processed and completed by Link Intime India Private Limited. Within a period of 15 days from the date of receipt thereof.				

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018, the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 5<sup>th</sup> December, 2018. Hence, Shareholders are advised to get their shares transferred / dematerialize

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

k) Stock Price Data :

The shares of the Company were traded on the BSE Limited. The information on stock price data, BSE Sensex details are as under:

Month	BSE Limited			BSE Sensex
	High (₹)	Low (₹)	No. of Shares Traded	
April, 2017	33.35	25.30	82,590	29,918.40
May, 2017	38.45	30.00	33,246	31,145.80
June, 2017	34.95	26.10	15,201	30,921.61
July, 2017	34.40	29.10	6,251	32,514.94
August, 2017	33.95	29.50	3,346	31,730.49
September, 2017	37.45	29.05	32,426	31,283.72
October, 2017	41.20	36.15	34,056	33,213.13
November, 2017	44.00	33.30	20,863	33,149.35
December, 2017	57.35	35.60	51,701	34,056.83
January, 2018	72.90	47.70	63,400	35,965.02
February, 2018	56.00	46.00	23,816	34,184.04
March, 2018	49.00	41.00	9,972	32,968.68

l) Distribution of Shareholding as on 31<sup>st</sup> March, 2018:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	4490	93.87	593625	12.14
501 to 1000	128	2.68	105311	2.15
1001 to 2000	82	1.71	118768	2.43
2001 to 3000	29	0.61	71465	1.46
3001 to 4000	12	0.25	42832	0.88
4001 to 5000	11	0.23	50754	1.04
5001 to 10000	13	0.27	96971	1.98
10001 & Above	18	0.38	3808574	77.91
<b>Grand Total</b>	<b>4783</b>	<b>100.00</b>	<b>4888300</b>	<b>100.00</b>

m) Category of Shareholders as on 31<sup>st</sup> March, 2018:

Category	No. of Shares held	% of Shareholding
Promoters	3597990	73.60
Financial Institutions/Banks	—	—
Bodies Corporate	10218	0.21
NRIs, Clearing Members	12265	0.25
Publics	1267827	25.94
<b>Grand Total</b>	<b>4888300</b>	<b>100.00</b>

- n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: -  
The Company has not issued any GDRs/ADRs. There is no outstanding convertible securities/warrants as on date.
- o) Dematerialisation of shares and liquidity:  
Company's Shares are traded compulsorily in dematerialised mode. As on date approx. 85% of the Equity Shares of the Company are in dematerialised mode.
- p) Commodity Price Risks and Commodity Hedging Activities:  
Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices.
- q) Plant Location:  
1. Plot No. 431, Santej - Vadsar Road, Village: Santej, Taluka : Kalol - 382 721, Dist : Gandhinagar.  
2. 344, Village: Ekalbara, Near Cadila Health Care, Padra, Vadodara - 391 440, Gujarat.  
3. Plot: 1, Om Ind. Est 1861 PK 1 PK 1, Nr. Maruti Est., Village: Santej, Taluka: Kalol, District: Gandhinagar, Gujarat.  
4. 7, Maruti Industrial Estate, Block No. 1861 pk 350 sq.yrd, Nr. Raj Nagar Patia, Raj Nagar, Santej-Khatraj Road, Tal: Kalol, District: Gandhinagar - 382 721.
- r) Address for correspondence:  
For any assistance regarding correspondence, dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:  
  
Link Intime India Pvt. Ltd.,  
506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre,  
Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006.  
Tele. No. :(079) 2646 5179  
E-mail Address:[ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)  
Compliance Officer : Mr. Ashok Chhajer

## 10. MANAGEMENT DISCUSSION AND ANALYSIS:

### a. Industry Structure and Developments:

The industry is dependent on performance of core sectors like agriculture, fertilizer, cement and exports. The policy changes in infrastructure and good monsoon during the year will lead towards the brighter future of the Company.

### b. Opportunities and Threats:

The HDPE/PP Woven Sacks/Bags industry as a whole will be benefited by 40% relaxation of Jute Mandatory and Packaging Order which will be enable Food Corporation of India and other agencies to pack 40% of food grains in HDPE/PP Bags. HDPE/PP Bags sector is the biggest sector in India for packaging. The Company has successfully initiated its efforts for increasing exports and has set a target of exporting 80 % of its production.

### c. Segment wise Performance:

The Company is operating only in one segment. The production/ turnover/performance of the Company have been disclosed in the Directors' Report under the Head 'Production, Sales and Working Results'.

**d. Recent Trend and Future Outlook:**

The recent trend is quite favourable for the industry in view of good monsoon as the Company has sizable presence in fertilizer sector. The opening up of food grains sector will enable the Woven Sacks industry to see better times again.

**e. Risks and Concerns:**

The industry is plagued by intense competition due to major petrochemical manufacturers making available cheap raw material abundantly. Volatility in raw material price due to crude price.

**f. Internal Control Systems and their Adequacy:**

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

**g. Financial Performance with respect to Operational Performance:**

The financial performance of the Company for the year 2017-18 is described in the Directors' Report under the head 'Review of Operations'.

**h. Material Developments in Human Resources and Industrial Relations Front:**

The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

**i. Cautionary Statement:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

**11. DISCLOSURES:**

- a. The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b. There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c. The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
- d. The Company is in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e. The policy on related party transactions is disclosed on the Company's website viz. [www.gujaratcraft.com](http://www.gujaratcraft.com).
- f. Disclosure of Accounting Treatment:

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Financial Statements up to and for the year ended 31 March, 2017 were prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies

(Accounts) Rules, 2014 and the relevant provisions of the Act. The previous year figures have been regrouped/reclassified or restated as per Ind AS, so as to make the figures comparable with the figures of current year. As these are the first Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

**12. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:**

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

**13. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:**

- i. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- ii. The Company's financial statements for the financial year 2017-18 do not contain any audit qualification.
- iii. The internal auditors report to the Audit Committee.

**14.** The Company, on voluntary basis, is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

**For and on behalf of the Board,**

Place : Ahmedabad.  
Date : 20<sup>th</sup> July, 2018.

**Anilkumar Bhandari**  
**Chairman**

---

**DECLARATION**

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2018.

**For Gujarat Craft Industries Limited,**

Place: Ahmedabad  
Date: 20<sup>th</sup> July, 2018

**Raichand M. Golchha**  
**CFO**

**Ashok Chhajer**  
**Managing Director**

---

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
Gujarat Craft Industries Limited,**

We have examined the compliance of conditions of Corporate Governance by Gujarat Craft Industries Limited, for the year ended on 31<sup>st</sup> March, 2018 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) / Listing Agreement (LA).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in LODR. It is neither an audit nor an expression of 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 Regulations 17 to 27 & Part E of Schedule II of LODR.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Stakeholders' Relationship Committee, no investor grievance remaining unattended/ pending for more than 30 days.

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

**For KASHYAP R. MEHTA & ASSOCIATES**  
Company Secretaries  
FRN: S2011GJ166500

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2018

**KASHYAP R. MEHTA**  
Proprietor  
FCS: 1821  
COP No. 2052



**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018**

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

**To,  
The Members,  
Gujarat Craft Industries Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Craft Industries Limited** [CIN: L29199GJ1984PLC007130] ('hereinafter called the Company') having Registered Office at Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol, Dist: Gandhinagar 382 721. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the audit period)
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the audit period); and

(vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws etc. and sector specific laws such as The Recycled Plastics Manufacture and Usage Rules, 1999 for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Labour Law Consultants, Engineers, Occupier of the Factories, Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc. and have found that the Company is generally regular in complying with the provisions of various applicable Acts.

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

- (i) Secretarial Standards SS – 1 & SS – 2 issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the Company with Stock Exchange.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the Company has:

1. Duly passed Special Resolution under Section 188, 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on 27<sup>th</sup> September, 2017 re-appointing Mr. Rishab Chhajer as Joint Managing Director of the Company for a period of 3 years w.e.f. 13<sup>th</sup> February, 2017 to 12<sup>th</sup> February, 2020.
2. Duly passed Special Resolution under Section 188, 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on 27<sup>th</sup> September, 2017 re-appointing Mr. Ashok Chhajer as Managing Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> October, 2017 to 30<sup>th</sup> September, 2020.
3. Duly passed Special Resolution under Section 94 of the Companies Act, 2013 at the Annual General Meeting held on 27<sup>th</sup> September, 2017 for maintaining the Register of Members together with Index of Members and copies of Annual Returns at the office of the Registrar and Transfer Agent (RTA) viz. Link Intime India Private Limited and such other places as the RTA, shift its office from time to time.

**For PINAKIN SHAH & CO.**  
Company Secretaries

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2018

**PINAKIN S. SHAH**  
Proprietor  
FCS: 2562  
COP: 2932  
FRN: S2010GJ134100

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

To,  
The Members,  
**Gujarat Craft Industries Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PINAKIN SHAH & CO.**  
Company Secretaries

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2018

**PINAKIN S. SHAH**  
Proprietor  
FCS: 2562  
COP: 2932  
FRN: S2010GJ134100

## Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2018

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

## I. REGISTRATION AND OTHER DETAILS:

(1)	CIN	L29199GJ1984PLC007130
(2)	Registration Date	31 <sup>st</sup> July, 1984
(3)	Name of the Company	Gujarat Craft Industries Limited
(4)	Category / Sub-Category of the Company	Public Company Limited by Shares
(5)	Address of the registered Office and Contact Details	Plot No. 431, Village: Santej - Vadsar Road, Taluka: Kalol, Dist: Gandhinagar 382 721
(6)	Whether Listed Company	Yes
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad 380 006 Tel : (079) 2646 5179 Fax : (079) 2646 5179 Email : ahmedabad@linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1	Manufacture of tarpaulin	13925	23.76
2	Manufacture of fabric	14102	13.84
3	Manufacture of sacks & FIBC	22203	56.41

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no Holding/ Subsidiary/ Associate Company.

## IV. SHARE HOLDING PATTERN:

## i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held as on 1 <sup>st</sup> April, 2017				No. of Shares held as on 31 <sup>st</sup> March, 2018				% Change during 2017-18
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	2996990	-	2996990	61.31	2996990	-	2996990	61.31	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	601000	-	601000	12.29	601000	-	601000	12.29	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	<b>3597990</b>	<b>-</b>	<b>3597990</b>	<b>73.60</b>	<b>3597990</b>	<b>-</b>	<b>3597990</b>	<b>73.60</b>	<b>-</b>

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	14172	300	14472	0.30	9918	300	10218	0.21	(0.09)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding < = ` 1,00,000	396874	621000	1017874	20.82	420398	609500	1029898	21.07	0.25
ii) Individuals holding > ` 1,00,000	87883	130400	218283	4.47	82774	130400	213174	4.36	(0.10)
<b>c) Others (specify)</b>									
NRIs	1950	-	1950	0.04	3802	-	3802	0.08	0.04
HUF	31499	-	31499	0.64	24655	-	24655	0.50	(0.14)
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	6132	-	6132	0.13	8463	-	8463	0.17	(0.05)
Trusts	100	-	100	-	100	-	100	-	-
Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>538610</b>	<b>751700</b>	<b>1290310</b>	<b>26.40</b>	<b>550110</b>	<b>740200</b>	<b>1290310</b>	<b>26.40</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>538610</b>	<b>751700</b>	<b>1290310</b>	<b>26.40</b>	<b>550110</b>	<b>740200</b>	<b>1290310</b>	<b>26.40</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4136600</b>	<b>751700</b>	<b>4888300</b>	<b>100.00</b>	<b>4148100</b>	<b>740200</b>	<b>4888300</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters:

Sr.	Shareholder's Name	Shareholding as on 01-04-2017			Shareholding as on 31-03-2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashok Chhajer	1392000	28.48	-	1392000	28.48	-	-
2	Ratanchand Ashokkumar	415800	8.51	-	415800	8.51	-	-
3	Sushma Chhajer	519440	10.63	-	519440	10.63	-	-
4	Rishabh Chhajer	525000	10.74	-	525000	10.74	-	-
5	Shruti Chhajer	144750	2.96	-	144750	2.96	-	-
6	Woodland Consultancy Services Pvt. Ltd.	151000	3.09	-	151000	3.09	-	-
7	Indian Agrotech Limited	100000	2.05	-	100000	2.05	-	-
8	APA Finance Limited	150000	3.07	-	150000	3.07	-	-
9	Typhoon Financial Services Limited	200000	4.09	-	200000	4.09	-	-
	<b>Total</b>	<b>3597990</b>	<b>73.60</b>	<b>-</b>	<b>3597990</b>	<b>73.60</b>	<b>-</b>	<b>-</b>

## iii) Change in Promoters' Shareholding:

There is no change in Promoters' Shareholding during the year 2017-18.

**iv) Shareholding Pattern of top ten Shareholders:**

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 1 <sup>st</sup> April, 2017		Changes during the Year (decrease due to transfer)	Shareholding as on 31 <sup>st</sup> March, 2018	
		No. of shares	% of total shares		No. of shares	% of total shares
	Top 10 as on 1 <sup>st</sup> April, 2017					
1	Madhukar Patil	60100	1.23	-	60100	1.23
2	Anoop Vazirani	44300	0.91	-	44300	0.91
3	Richesh Raichand Golchha	37171	0.76	-	37171	0.76
4	Dheeraj Kumar Lohia	17756	0.36	-	17756	0.36
5	Satish Shamji Bheda	17735	0.36	(17735)	-	-
6	Jigna Kanayalal Shah	15246	0.31	(15246)	-	-
7	Ketan T Doshi	15000	0.31	-	15000	0.31
8	Ratanchand Chhajer & Sons HUF	11000	0.23	(11000)	-	-
9	Sunil Hashmukhlal Patel	10000	0.20	-	10000	0.20
10	Minakshi J Mehta	9000	0.18	-	9000	0.18
11	Patel Lilaben Vasubhai	3000	0.06	24847	27847	0.57
12	Neelam Bala	-	-	11357	11357	0.23
13	Shreekant Phumbhra	-	-	10000	10000	0.20
14	K A Gandhi (HUF)	10000	0.20	(10000)	-	-

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 1 <sup>st</sup> April, 2017		Changes during the Year (No. of Shares)	Shareholding as on 31 <sup>st</sup> March, 2018	
		No. of shares	% of total shares of the Company		No. of Shares	% of total Shares of the Company
1.	Ashok Chhajer	1392000	28.48	-	1392000	28.48
2.	Rishab Ashok Chhajer	525000	10.74	-	525000	10.74
	<b>Total</b>	<b>1917000</b>	<b>39.22</b>	<b>-</b>	<b>1917000</b>	<b>39.22</b>

**V. INDEBTEDNESS :**(Indebtedness of the Company including interest outstanding/accrued but not due for payment):  
(In `)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 1 <sup>st</sup> April, 2017				
	i) Principal Amount	21,59,12,877	15,78,98,724	-	37,38,11,601
	ii) Interest due but not paid	6,56,248	-	-	6,56,248
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	<b>21,65,69,125</b>	15,78,98,724	-	<b>37,44,67,849</b>
B.	Change in Indebtedness during 2017-18				
	* Addition	1,92,79,786	-	-	1,92,79,786
	* Reduction	-	61,32,159	-	(61,32,159)
	Net Change	1,92,79,786	(61,32,159)	-	1,31,47,627
C.	Indebtedness as on 31 <sup>st</sup> March, 2018				
	i) Principal Amount	23,58,48,911	15,17,66,565	-	38,76,15,476
	ii) Interest due but not paid	11,06,633	-	-	11,06,633
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	<b>23,69,55,544</b>	<b>15,17,66,565</b>	-	<b>38,87,22,109</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manger	
		Mr. Ashok Chhajer Managing Director	Mr. Rishab Chhajer Jt. Managing Director
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 19.80 lakhs	₹ 15.39 lakhs
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others, Please specify	-	-
	Total (A)	₹ 19.80 lakhs	₹ 15.39 lakhs
	Ceiling as per the Companies Act	₹ 84.00 lakhs	₹ 84.00 lakhs



**B. Remuneration to other Directors:**

No Disclosure is required as there is no remuneration paid to any Director other than MD/WTD during financial year 2017-18.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Raichand Golchha, Chief Financial Officer	Ms. Anchal Bansal, Company Secretary
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 3,30,734/-	₹ 2,80,119/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others, Please specify	-	-
	<b>Total</b>	₹ 3,30,734/-	₹ 2,80,119/-

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

No disclosure is required as there are no such Penalties/ Punishment imposed on the Company and its Directors/KMP and no Compounding of Offences done by the Company and its Directors/ KMP.

**For and on behalf of the Board,**

Place : Ahmedabad.  
Date : 20<sup>th</sup> July, 2018.

**Anilkumar Bhandari**  
**Chairman**

---

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
**GUJARAT CRAFT INDUSTRIES LIMITED**

**Report on the Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying Ind AS financial statements of **GUJARAT CRAFT INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by ICAI. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, of the state of affairs of the Company as at **March 31, 2018** and its profit (including Other Comprehensive Income) and its cash flows and the changes in equity for the year ended on that date.

## Emphasis of Matter

Attention is invited to Note No. 39 of the financial Results, where as Trade receivables more than a year amounting to ` 858.90 Lacs for which no recovery has been received during the year and also no confirmation has been received for year end balance. However we have relied upon management representation as to its recoverability.

Our opinion is not modified in respect of the above matters.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation to us, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) , the Cash Flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company does not have any pending litigation which would have impact on its financial position;
  - II. The Company did not have any long term contracts, including derivate contracts for which there were any material foreseeable losses.
  - III. During the year, the company is not required to transfer any amount to the investor education protection fund.

For **ARPIT PATEL & ASSOCIATES**,  
Chartered Accountants  
Firm Registration No. 144032W

Date : May 30, 2018  
Place : Ahmedabad

Arpit K. Patel  
Partner  
Membership No.: 034032

**Annexure referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31<sup>st</sup> March 2018 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company, as applicable.
- (v) According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of section 73 to 76 of the Act and the Rules framed under. Therefore, the provision of clause 3(v) of the order is not applicable.
- (vi) As per the information and explanation given to us, the cost accounting records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013 is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess, Goods and services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, Goods and services tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no any disputed dues in respect of sales Tax, income tax, service tax, value added tax, custom duty and excise duty, cess, Goods and services tax. deposited with the appropriate authorities.
- (viii) Based on our examination of the records, and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to the banks. The company has not taken any loan from financial institution. The company has not obtained any borrowing by way of debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations

given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations given by the management, we are of the opinion that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- (xiii) Based on our examination of records of the company and according to the information and explanations given to us, the transactions with related parties are in compliance with the Provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) are not applicable to the company.
- (xv) Based on the examinations of the records and according to the information and explanations given by the management, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **ARPIT PATEL & ASSOCIATES,**  
Chartered Accountants  
Firm Registration No. 144032W

Arpit K. Patel  
Partner

Date : May 30, 2018  
Place : Ahmedabad

Membership No.: 034032

#### **Annexure 'B'**

#### **Annexure to the independent auditor's report of even date on the Ind AS financial statements of "Gujarat Craft Industries Limited"**

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

We have audited the internal financial controls over financial reporting of Gujarat Craft Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued

by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

For **ARPIT PATEL & ASSOCIATES**,  
Chartered Accountants  
Firm Registration No. 144032W

Date : May 30, 2018  
Place : Ahmedabad

Arpit K. Patel  
Partner  
Membership No.: 034032

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

( ` in Lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	2	3,744.13	3,860.56	3,948.34
(b) Capital work-in-progress	-	-	-	6.95
(c) Intangible assets		-	-	-
(d) Financial Assets				
(i) Investments	3	3.80	3.80	3.80
(ii) Other Financial Assets	4	39.81	33.25	2.89
(e) Non-current tax assets (Net)		-	-	-
(f) Other assets	5	24.50	28.50	27.75
<b>Total Non-current assets</b>		<b>3,812.24</b>	<b>3,926.11</b>	<b>3,989.73</b>
<b>(2) Current assets</b>				
(a) Inventories	6	2,390.24	2,287.42	1,744.88
(b) Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables	7	2,981.16	3,248.10	3,215.57
(iii) Cash and cash equivalents	8	11.25	65.71	43.37
(iv) Bank Balances other than (iii) above	9	52.05	70.85	94.18
(v) Other Financial assets	10	1,117.56	523.05	656.42
(c) Other current assets	11	2.57	5.26	5.66
<b>Total current assets</b>		<b>6,554.83</b>	<b>6,200.39</b>	<b>5,760.08</b>
<b>TOTAL ASSETS</b>		<b>10,367.07</b>	<b>10,126.50</b>	<b>9,749.81</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	12	488.83	488.83	488.83
(b) Other equity	13	2,913.82	2,742.48	2,618.98
<b>Total equity attributable to owners of the company</b>		<b>3,402.65</b>	<b>3,231.31</b>	<b>3,107.81</b>
<b>(2) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	14	1,635.61	1,795.40	2,003.84
(b) Provisions	15	25.57	22.26	17.04
(c) Deferred tax liabilities (Net)	16C	555.18	577.73	574.35
<b>Total non-current liabilities</b>		<b>2,216.36</b>	<b>2,395.39</b>	<b>2,595.23</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	17	2,053.80	1,607.82	1,664.42
(ii) Trade payables	18	2,117.88	2,109.41	1,899.55
(iii) Other financial liabilities	19	249.43	376.96	334.75
(b) Other current liabilities	20	278.67	360.08	105.98
(c) Provisions	21	5.23	4.13	4.04
(d) Liabilities for current tax (Net)	22	43.05	41.40	38.03
<b>Total current liabilities</b>		<b>4,748.06</b>	<b>4,499.80</b>	<b>4,046.77</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>10,367.07</b>	<b>10,126.50</b>	<b>9,749.81</b>

**The accompanying notes form an integral part of the financial statements**

As per our report of even date

**For ARPIT PATEL & ASSOCIATES**  
**Chartered Accountants**

Firm registration number: 144032W

**Arpit K Patel**

Partner

Membership no.: 034032

Place : Ahmedabad

Date : 30th May, 2018

**For and on behalf of the Board of**  
**Directors of Gujarat Craft Industries Limited**

**Ashok Chhajer** Managing Director

**Rishab Chhajer** Joint Managing Director

**Raichand Golchha** Chief Financial Officer

Place : Ahmedabad

Date : 30th May, 2018

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**  
( ` in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>I REVENUE</b>			
Revenue from operations	23	13,050.40	10,163.48
Other Income	24	14.42	52.41
<b>Total Income (I)</b>		<b><u>13,064.82</u></b>	<b><u>10,215.89</u></b>
<b>II EXPENSES</b>			
Cost of materials consumed	25	8,985.24	7,544.37
Purchases of Stock-in-Trade	26	380.77	97.56
Changes in inventories of finished goods, Stock-in-Trade and work in progress	27	(103.35)	(536.31)
Excise duty	28	29.33	422.47
Employee benefits expense	29	264.75	200.81
Finance costs	30	444.27	379.93
Depreciation and amortization expense	2	172.51	172.21
Other expenses	31	2,697.36	1,766.29
<b>Total Expenses (II)</b>		<b><u>12,870.88</u></b>	<b><u>10,047.33</u></b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>193.94</b>	<b>168.56</b>
<b>IV Exceptional Items</b>		-	-
<b>V Profit before tax (III-IV)</b>		<b>193.94</b>	<b>168.56</b>
<b>VI Tax expense:</b>			
(1) Current tax (Net of MAT credit)	18A	84.67	64.03
(2) Tax Of Earlier years		(0.50)	-
(3) Deferred tax	18C	(60.91)	(17.89)
<b>Total tax expenses</b>		<b><u>23.26</u></b>	<b><u>46.14</u></b>
<b>VII Profit for the year</b>		<b>170.68</b>	<b>122.42</b>
<b>Other Comprehensive Income</b>			
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:			
(a) Remeasurements of the defined benefit plans		0.99	1.63
Income Tax effect		(0.33)	(0.54)
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods		-	-
VIII Total Other Comprehensive Income (i+ii)		0.66	1.09
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b><u>171.34</u></b>	<b><u>123.51</u></b>
Earning per share (Face Value of ` 10 each)			
- Basic & Diluted	36	3.49	2.50

**The accompanying notes form an integral part of the financial statements**

As per our report of even date

**For ARPIT PATEL & ASSOCIATES**  
**Chartered Accountants**

Firm registration number: 144032W

**Arpit K Patel**

Partner

Membership no.: 034032

Place : Ahmedabad

Date : 30th May, 2018

**For and on behalf of the Board of**  
**Directors of Gujarat Craft Industries Limited**

**Ashok Chhajer** Managing Director

**Rishab Chhajer** Joint Managing Director

**Raichand Golchha** Chief Financial Officer

Place : Ahmedabad

Date : 30th May, 2018



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	( ₹ in Lakhs)	
	31 March, 2018	31 <sup>st</sup> March, 2017
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	193.94	168.56
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	172.51	172.21
Profit on sale of assets	(1.96)	-
Interest expense	444.27	379.93
Interest income	(12.46)	(22.82)
Operating profit before working capital changes	<u>796.30</u>	<u>697.88</u>
<b>Movements in working capital</b>		
Increase in trade payables	8.47	209.86
Increase/(decrease) in other current financial liabilities	(45.53)	23.21
Increase/(decrease) in other current liabilities	(81.41)	254.10
Increase/(decrease) in short term provision	2.09	1.72
Increase/(decrease) in Long term provision	3.31	5.22
Decrease/(increase) in trade receivables	266.94	(32.53)
Decrease/(increase) in inventories	(102.82)	(542.54)
Decrease/(increase) in other current assets	2.70	0.39
Decrease / (increase) in other non-current Financial assets	0.16	(0.36)
Decrease / (increase) in other non-current assets	4.00	(0.75)
Decrease / (increase) in other current financial asset	(606.56)	137.84
Cash generated from /(used in) operations	<u>246.13</u>	<u>754.04</u>
Direct taxes paid (net of refunds)	(44.48)	(39.92)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<u><u>201.65</u></u>	<u><u>714.12</u></u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP	(74.74)	(77.48)
Sale proceed / capital subsidy of Fixed assets	20.63	-
maturity of margin money deposit	12.08	(6.67)
Interest received	21.42	2.95
<b>Net cash flow from/(used in) investing activities (B)</b>	<u><u>(20.61)</u></u>	<u><u>(81.20)</u></u>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	(249.26)	(247.02)
Proceeds from Short-term borrowings	445.97	(56.60)
Interest paid	(432.21)	(306.96)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<u><u>235.50</u></u>	<u><u>(610.58)</u></u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(54.46)	22.34
Cash and cash equivalents at the beginning of the year	65.71	43.37
<b>Cash and cash equivalents at the end of the year</b>	<b>11.25</b>	<b>65.71</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	7.53	5.49
Balance with banks	3.72	60.22
<b>Total cash and cash equivalents (note 8)</b>	<u><u>11.25</u></u>	<u><u>65.71</u></u>

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Amendmend to Ind AS 7**

The Amendmend to Ind AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cashflows and non cash changes, suggesting inclusion of a reconciliation between the operating and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1<sup>st</sup> April, 2017 and the required disclosure is made below. There is no other impact on the financial statement due to this amendment.

Particulars	As at 31.03.2017	Cash Flows	Non Cash Changes		As at 31.03.2018
			Fair Value Changes	Current/ Non-Current classification	
Borrowings Non Current	1,795.40	(53.06)	61.62	(168.35)	1,635.61
Other financial liabilities	376.96	295.88	-	168.35	249.43
Borrowings Current	1,607.82	(445.98)	-	-	2,053.80

The accompanying notes form an integral part of the financial statements

As per our report of even date  
**For ARPIT PATEL & ASSOCIATES**  
**Chartered Accountants**  
 Firm registration number: 144032W

**Arpit K Patel**  
 Partner  
 Membership no.: 034032

Place : Ahmedabad  
 Date : 30th May, 2018

**For and on behalf of the Board of  
 Directors of Gujarat Craft Industries Limited**

**Ashok Chhajer** Managing Director

**Rishab Chhajer** Joint Managing Director

**Raichand Golchha** Chief Financial Officer

Place : Ahmedabad  
 Date : 30th May, 2018

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018**

(` in Lakhs)

Particulars	Attributable to the equity holders of the company					Total
	Reserves & Surplus			Securities premium Account	Items of Other Comprehensive Income Revaluation reserve	
	Equity share capital	Retained Earnings Net Surplus in Statement of Profit & Loss	General Reserve			
<b>As at April 1, 2016</b>	<b>488.83</b>	<b>858.19</b>	<b>4.30</b>	<b>301.75</b>	<b>1,454.73</b>	3,107.80
Add: Profit for the year	-	122.42	-	-	-	122.42
Add [Less]:						
Other Comprehensive income	-	1.09	-	-	-	<b>1.09</b>
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2017</b>	<b>488.83</b>	<b>981.70</b>	<b>4.30</b>	<b>301.75</b>	<b>1,454.73</b>	<b>3,231.31</b>
Add: Profit for the year	-	170.68	-	-	-	170.68
Add [Less]:						
Other Comprehensive income	-	0.66	-	-	-	0.66
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2018</b>	<b>488.83</b>	<b>1,153.04</b>	<b>4.30</b>	<b>301.75</b>	<b>1,454.73</b>	<b>3,402.65</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date  
**For ARPIT PATEL & ASSOCIATES**  
**Chartered Accountants**  
Firm registration number: 144032W

**Arpit K Patel**  
Partner  
Membership no.: 034032  
Place : Ahmedabad  
Date : 30th May, 2018

**For and on behalf of the Board of  
Directors of Gujarat Craft Industries Limited**

**Ashok Chhajer** Managing Director  
**Rishab Chhajer** Joint Managing Director  
**Raichand Golchha** Chief Financial Officer  
Place : Ahmedabad  
Date : 30th May, 2018

---

**Notes to financial statements for the year ended 31<sup>st</sup> March 2018**
**1.1 Company Information**

Gujarat Craft Industries Ltd (Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the manufacturing of HDPE / PP woven fabrics, sacks, PE tarpaulin. The company caters to both domestic and international Markets.

**1.2 Basis of Preparation of Financial Statements:****(i) Compliance with Ind-AS**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended).

For all periods up to and including the year ended March 31, 2018, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the company has prepared in accordance with Ind AS. Refer note 1.21 for information on how the company has adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at the fair value amount:

- a) Certain financial assets and liabilities (including derivative instruments),
- b) Defined benefit plans - plan assets and
- c) Revaluation of Land

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(ii) Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**(iii) Rounding of amounts**

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00'000) as per the requirement of Schedule III, unless otherwise stated.

**1.3 Use of Estimates:**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

## 1.4 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

Estimation of Defined benefit obligation - refer note 1.14

Estimation of current tax expenses - refer note 1.7

## 1.5 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value as per Ind AS 113 at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 1.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed in to GST. In accordance with Accounting Standard - 9 on Revenue Recognition unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue.

However, GST/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### Interest income

Interest income on financial asset is recognised using the effective interest rate (EIR) method.

Dividends

Dividend income from investment is accounted for when the right to receive is established, which is generally when shareholders approve the dividend.

Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**1.7 Taxes**

Tax expenses comprise of current and deferred tax.

**Current income tax**

- a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b Current tax items are recognised in correlation to the underlying transaction either in P&L, OCI or directly in equity.

**Deferred tax**

- a Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b Deferred tax liabilities are recognised for all taxable temporary differences.
- c Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.
- f Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.
- h The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT credit.

**1.8 Property, Plant and Equipment**

Under the previous GAAP (Indian GAAP), fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalisation criteria are met, directly attributable cost of bringing

the asset to its working condition for the intended use. The Company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS except in case of freehold land which is shown at fair value.

Capital Work in progress included in PPE is stated at cost, net accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term constructions projects if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding as at March 31, 2017 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of its financial year.

Borrowing cost relating to acquisition/construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the assets mentioned below for which useful lives estimated by the management. The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

## **1.9 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year.

## **1.10 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

### **1.11 Inventories**

Inventories are valued as under:

**a RAW MATERIALS, PACKING MATERIALS AND STORES & SPARES :**

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on First-in-First-out basis.

**b FINISHED GOODS & WORK IN PROGRESS :**

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

**c WASTE**

At net realizable value

**d STOCK-IN-TRADE :**

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### **1.12 Impairment of financial assets & non-financial assets**

**a Financial asset**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

**b Non-financial assets**

Intangible assets and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of



any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year.

### 1.13 Provisions, Contingent Liabilities and Contingent Assets:

- A Provisions are recognised when the Company has present obligation (legal or constructive) as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes to Financial Statements. Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements where an inflow of economic benefits is probable. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

- B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

### 1.14 Employee benefits

- A Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences etc., and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

- B Post-Employment Benefits:

- i) Defined Contribution Plans:

State governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans.

The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

- ii) Defined Benefit Plans:

The Employee's Gratuity Fund Scheme and compensated absences is Company's defined benefit plans. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

**C Long Term Employee Benefits:**

The employees' long term compensated absences are company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the projected unit credit method as at the date of the balance sheet. In case of funded plans, the full value of plan assets is reduced from the gross obligation to recognise the obligation on the net basis.

## 1.15 Financial instruments

### Initial recognition and measurement:

The company recognizes a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss(FVTPL), transaction cost that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that users data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 inputs as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain in the Statement of Profit and Loss only to the extent the such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However trade receivables that do not contain a significant financing component are measured at transaction price.

### Investments and other financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

#### Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

#### (1) Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

## **(2) Fair value through other comprehensive Income:**

Assets that do not meet the criteria for amortised cost are measured at fair value through Other Comprehensive Income. Interest income from these financial assets is included in other income.

### **Equity instruments:**

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

### **Derecognition**

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

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

In cases where company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial assets, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On De-recognition of a financial asset, (except as mentioned in ii above for financial assets measured a FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

### **Financial liabilities:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

## **1.16 Foreign Currency Translation**

### **Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

**Measurement of foreign currency items at reporting date:**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

**1.17 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**1.18 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**1.19 Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**1.20 Standard Issued but not yet effective**

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from contracts with Customers, Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standard Boards (IASB). These amendments are applicable to the company from 1<sup>st</sup> April, 2018. The Company will be adopting the amendments from their effective dates.

**Ind AS 115, Revenue from Contract with Customers**

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 Requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cashflows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and service to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of standard.

Based on the preliminary assessment performed by the company, the impact of application of the standard is not expected to be material.

**Appendix B to Ind AS 21, Foreign Currency transactions and advance consideration**

The Appendix clarifies that the date of the transactions for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipt of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

## 1.21 Note on First Time Adoption of Ind AS:

The accounting policies set out in the note here have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2017.

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies [Accounting Standards] Rules, 2006 [as amended] and other relevant provisions of the Act [Indian GAAP]. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following notes.

Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

### Optional exemptions:

#### A Deemed cost:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values except Land which is carried at fair value.

#### B Leases:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

### Mandatory exceptions:

#### C Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 and March 31, 2017 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- a Investment in equity instruments carried at FVTPL.
- b Impairment of financial assets based on expected credit loss model.

#### D Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### E De-recognition of financial assets and liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109

prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company's management had previously issued its audited financial results for the year ended March 31, 2017 on May 30, 2017, that were all prepared in accordance with the recognition and measurement principles of the Companies (Accounting Standards) Rules, 2006 prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued there under and other accounting principles generally accepted in India. The Company's management has now prepared the Ind AS Financial Statements for the year ended March 31, 2018 in accordance with the recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.

The Company has prepared a reconciliation of the amounts of net profit as reported under the Indian GAAP to those computed as per Ind AS and the same is given in note below. The Company has also prepared a reconciliation of the amounts of total equity as reported under the Indian GAAP to those computed as per Ind AS and the same is given in note below.

### **1.22 Note on Transition to Ind AS - Reconciliations**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Equity as at 1st April, 2016
- II. A. Reconciliation of Equity as at 31st March, 2017  
B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017
- III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

I. Reconciliation of Equity as at 1st April, 2016

(` in Lakhs)

Sr. Particulars No.	Foot Note	As at 1st April, 2016 (Date of transition)		
		I GAAP	Adjustment	IND AS
<b>I ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	a.	2,146.19	1,802.15	3,948.34
(b) Capital work-in-progress		6.95	-	6.95
(c) Intangible assets		-	-	-
(d) Financial assets		-	-	-
(i) Investments		3.80	-	3.80
(ii) Other financial assets		2.89	-	2.89
(e) Non-current tax assets (Net)		-	-	-
(f) Other assets		27.75	-	27.75
<b>Total non-current assets</b>		<b>2,187.58</b>	<b>1,802.15</b>	<b>3,989.73</b>
<b>(2) Current assets</b>				
(a) Inventories		1,744.88	-	1,744.88
(b) Financial assets		-	-	-
(i) Investments		-	-	-
(ii) Trade receivables	b.	3,220.57	(5.00)	3,215.57
(iii) Cash and cash equivalents		43.37	-	43.37
(iv) Bank balances other than cash & cash equivalents		94.18	-	94.18
(v) Other financial assets		656.42	-	656.42
(c) Other assets	c.	2.56	3.10	5.66
<b>Total current assets</b>		<b>5,761.98</b>	<b>(1.90)</b>	<b>5,760.08</b>
<b>TOTAL ASSETS</b>		<b>7,949.56</b>	<b>1,800.25</b>	<b>9,749.81</b>
<b>II. EQUITY AND LIABILITIES</b>				
(1) (a) Equity share capital		488.83	-	488.83
(b) Other equity		1,096.49	1,522.49	2,618.98
<b>Total equity attributable to owners of the company</b>		<b>1,585.32</b>	<b>1,522.49</b>	<b>3,107.81</b>
<b>(2) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	d.	2,107.21	(103.37)	2,003.84
(b) Provisions		17.04	-	17.04
(c) Deferred tax liabilities (Net)	f	193.22	381.13	574.35
<b>Total non-current liabilities</b>		<b>2,317.47</b>	<b>277.76</b>	<b>2,595.23</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings		1,664.42	-	1,664.42
(ii) Trade payables		1,899.55	-	1,899.55
(iii) Other financial liabilities		334.75	-	334.75
(b) Other liabilities		105.98	-	105.98
(c) Provisions		4.04	-	4.04
(d) Liabilities for current tax (Net)		38.03	-	38.03
<b>Total current liabilities</b>		<b>4,046.77</b>	<b>-</b>	<b>4,046.77</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>7,949.56</b>	<b>1,800.25</b>	<b>9,749.81</b>

## II. A. Reconciliation of Equity as at 31st March, 2017

( ` in Lakhs)

Sr. Particulars No.	Foot Note	As at 31st March, 2017 (Last period presented under IGAAP)		
		I GAAP	Adjustment	IND AS
<b>I ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	a	2,058.42	1,802.14	3,860.56
(b) Capital work-in-progress		-	-	-
(c) Intangible assets		-	-	-
(d) Financial assets				
(i) Investments		3.80	-	3.80
(ii) Other financial assets		33.25	-	33.25
(e) Non-current tax assets (Net)		-	-	-
(f) Other assets		28.50	-	28.50
<b>Total non-current assets</b>		<b>2,123.97</b>	<b>1,802.14</b>	<b>3,926.11</b>
<b>(2) Current assets</b>				
(a) Inventories		2,287.42	-	2,287.42
(b) Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables	b	3,253.10	(5.00)	3,248.10
(iii) Cash and cash equivalents		65.71	-	65.71
(iv) Bank balances other than cash & cash equivalents		70.85	-	70.85
(v) Other financial assets		523.05	-	523.05
(c) Other assets	c	3.68	1.58	5.26
<b>Total current assets</b>		<b>6,203.81</b>	<b>(3.42)</b>	<b>6,200.39</b>
<b>TOTAL ASSETS</b>		<b>8,327.78</b>	<b>1,798.72</b>	<b>10,126.50</b>
<b>II. EQUITY AND LIABILITIES</b>				
(1) (a) Equity share capital		488.83	-	488.83
(b) Other equity		1,244.74	1,497.74	2,742.48
<b>Total equity attributable to owners of the company</b>		<b>1,733.57</b>	<b>1,497.74</b>	<b>3,231.31</b>
<b>(2) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	d.	1,863.32	(67.92)	1,795.40
(b) Provisions		22.26	-	22.26
(c) Deferred tax liabilities (Net)	f	208.83	368.90	577.73
<b>Total non-current liabilities</b>		<b>2,094.41</b>	<b>300.98</b>	<b>2,395.39</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings		1,607.82	-	1,607.82
(ii) Trade payables		2,109.41	-	2,109.41
(iii) Other financial liabilities		376.96	-	376.96
(b) Other liabilities		360.08	-	360.08
(d) Provisions		4.13	-	4.13
(e) Liabilities for current tax (Net)		41.40	-	41.40
<b>Total current liabilities</b>		<b>4,499.80</b>	<b>-</b>	<b>4,499.80</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>8,327.78</b>	<b>1,798.72</b>	<b>10,126.50</b>



**B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017**

(₹ in Lakhs)

Sr. Particulars No.	Foot Note	For the year ended 31st March, 2017		
		I GAAP	Adjustments	IND AS
<b>I REVENUE</b>				
Revenue from Operations	h	9,761.85	401.63	10,163.48
Other Income		37.03	15.38	52.41
<b>Total Income (I)</b>		<b>9,798.88</b>	<b>417.01</b>	<b>10,215.89</b>
<b>II EXPENSES</b>				
Cost of materials consumed		7,544.37	-	7,544.37
Purchases of Stock-in-Trade		97.56	-	97.56
Changes in inventories of finished goods, Stock-in -Trade and work-in- progress		(536.31)	-	(536.31)
Excise duty on sale of goods	h	-	422.47	422.47
Employee benefits expense	g	199.18	1.63	200.81
Finance costs		327.59	52.34	379.93
Depreciation and amortization expense		172.21	-	172.21
Other expenses	h	1,787.13	(20.84)	1,766.29
<b>Total Expenses (II)</b>		<b>9,591.73</b>	<b>455.60</b>	<b>10,047.33</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>207.15</b>	<b>(38.59)</b>	<b>168.56</b>
IV Exceptional Items				
<b>V Profit before tax (III-IV)</b>				
<b>VI Tax Expense:</b>				
(1) Current tax		64.03	-	64.03
(2) Deferred tax	f	(5.13)	(12.76)	(17.89)
<b>Total Tax Expenses</b>		<b>58.90</b>	<b>(12.76)</b>	<b>46.14</b>
<b>VII Profit for the year</b>		<b>148.25</b>	<b>(25.83)</b>	<b>122.42</b>
<b>Other Comprehensive Income</b>				
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:				
(a) Remeasurements of the defined benefit plans				
Income Tax effect	g	-	1.63	1.63
		-	(0.54)	(0.54)
		-	<b>1.09</b>	<b>1.09</b>
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods:				
(a) Hedge Reserve				
Income Tax effect		-	-	-
		-	-	-
VIII Total Other Comprehensive Income (i-ii)		-	1.09	1.09
<b>IX Total Comprehensive Income for the year(VII+VIII)</b>		<b>148.25</b>	<b>(24.74)</b>	<b>123.51</b>

**III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017**

(` in Lakhs)

Particulars	Amount as per previous GAAP	Effects of transition to IND AS	Amount as per IND AS
Net cash generated from/(used in) operating activities	697.13	495.48	201.65
Net cash generated from/(used in) Investing activities	(70.04)	(49.43)	(20.61)
Net cash generated from/(used in) Financing activities	(628.08)	(392.58)	(235.50)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(0.99)</b>	<b>53.47</b>	<b>(54.46)</b>
Cash and cash equivalents at the beginning of the year	137.55	71.84	65.71
<b>Cash and cash equivalents at the end of the year</b>	<b>136.56</b>	<b>125.31</b>	<b>11.25</b>

**Notes:**

To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

**Foot Note to the Reconciliations****a Property, Plant & equipments**

Under the previous GAAP (Indian GAAP), fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalisation criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use.

The Company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS Except in case of land which is carried at revalued amount. The Above transition effect result into increase in value of Land by ` 1802.15 lakhs as on the date of transition and also deferred tax liability on same resulted into decrease in other equity by ` 347.42 lakhs

**b. Expected credit loss**

IND AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and /or trade receivables that do not constitute a financing transaction. This transition effects result into reduction in other equity by ` 5 lakhs

**c. Effective tax rates**

Pursuant to te application of EIR under IND AS, result into increase in other equity by ` 3.10 lakhs and ` 1.58 lakhs on date of transition and on March 31, 2017 respectively.

**d Interest free loans**

In the financial statements prepared under Previous GAAP, the carrying value of Interest free loan was recognised at the principal amounts payable by the borrower. Under Ind AS, Interest free borrowing being a financial liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as other income.

The above changes resulted in decrease in borrowings by ` 103.37 lakhs as at April 01, 2016 and ` 67.92 lakhs as on March 31, 2017.

**e Other comprehensive income:**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**f Deferred Tax**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the Indian GAAP) for computation of deferred taxes has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss account for the subsequent periods.

**g. Remeasurement cost of net defined liability**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**h Excise Duty**

Under Indian GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS, the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

**i Reconciliation of total comprehensive income between previously reported (referred as “Indian GAAP”) and Ind AS for the year ended March 31, 2017 is presented as under**

Description	(` in Lakhs) Year Ended 31st March, 2017
<b>(I) Net Profit as per previously applicable Indian GAAP</b>	<b>148.25</b>
(i) Effect of measuring interest free unsecured loan at fair value	(35.46)
(ii) Increase/(decrease) in borrowing cost pursuant to application of EIR	(1.51)
(iii) Actuarial (gain) / Loss on employee benefit defined funds recognized in Other Comprehensive Income	(1.63)
(iv) Tax impact on Ind AS Adjustments	12.77
<b>Net Profit before OCI as per IND-AS</b>	<b>122.42</b>
(II) Other comprehensive Income (OCI) (Net of Tax)	1.09
<b>Total</b>	<b>123.51</b>

**j Reconciliation of Equity:**

Description	As at 31st March, 2017	As at 1st April, 2016
<b>(I) Equity as per previously applicable Indian GAAP</b>	<b>1,733.57</b>	<b>1,585.32</b>
(i) Impact of measuring unsecured loan at fair value	67.92	103.37
(ii) Impact on adopting Ind As method for property, plant & equipment and revaluation in case of Land	1,802.15	1,802.15
(iii) Increase/(decrease) in borrowing cost pursuant to application of borrowing cost	1.58	3.10
(iv) Effect of Expected credit loss	(5.00)	(5.00)
(v) Tax impact on Ind As Adjustments	(368.91)	(381.13)
<b>Equity as per IND-AS</b>	<b>3,231.31</b>	<b>3,107.81</b>

## 2 Property, Plant and Equipment (Refer Note No 1.9)

Gross Carrying Amount	Freehold Land Fair value	Building	Electrical Equipment	Plant and Equipment	Office Equipment Deemed Cost	Office Equipment-Computers	Furniture & Fixures	Vehicles	Total	Capital Work-in-progress	
										Others	Total CWIP
Cost as at 1st April, 2016	1,825.00	596.62	25.34	1,411.79	12.77	1.58	3.51	71.73	3,948.34	6.95	6.95
Additions	-	-	16.25	55.74	1.50	1.34	0.26	9.34	84.43	-	-
Disposals	-	-	-	-	-	-	-	-	-	(6.95)	(6.95)
<b>At 31st March, 2017</b>	<b>1,825.00</b>	<b>596.62</b>	<b>41.59</b>	<b>1,467.53</b>	<b>14.27</b>	<b>2.92</b>	<b>3.77</b>	<b>81.07</b>	<b>4,032.77</b>	-	-
Additions	-	-	-	71.84	0.49	1.52	0.90	-	74.74	-	-
Disposals	-	-	(26.46)	-	-	-	-	(6.80)	(33.26)	-	-
Discard	-	-	-	-	-	-	-	-	-	-	-
<b>At 31st March, 2018</b>	<b>1,825.00</b>	<b>596.62</b>	<b>15.13</b>	<b>1,539.37</b>	<b>14.76</b>	<b>4.44</b>	<b>4.67</b>	<b>74.27</b>	<b>4,074.26</b>	-	-
<b>Depreciation</b>											
At 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	26.20	4.78	116.84	3.81	1.13	0.77	18.68	172.21	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 Mar 2017</b>	<b>-</b>	<b>26.20</b>	<b>4.78</b>	<b>116.84</b>	<b>3.81</b>	<b>1.13</b>	<b>0.77</b>	<b>18.68</b>	<b>172.21</b>	-	-
Depreciation charge for the year	-	26.20	4.98	119.81	3.50	1.03	0.46	16.53	172.51	-	-
Disposals	-	-	(8.14)	-	-	-	-	(6.45)	(14.59)	-	-
Discard	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 Mar 2018</b>	<b>-</b>	<b>52.40</b>	<b>1.62</b>	<b>236.65</b>	<b>7.31</b>	<b>2.16</b>	<b>1.23</b>	<b>28.76</b>	<b>330.13</b>	-	-
<b>Net carrying value</b>											
<b>At 31st March, 2018</b>	<b>1,825.00</b>	<b>544.22</b>	<b>13.51</b>	<b>1,302.72</b>	<b>7.45</b>	<b>2.28</b>	<b>3.44</b>	<b>45.51</b>	<b>3,744.13</b>	-	-
<b>At 31st March, 2017</b>	<b>1,825.00</b>	<b>570.42</b>	<b>36.81</b>	<b>1,350.69</b>	<b>10.46</b>	<b>1.79</b>	<b>3.00</b>	<b>62.39</b>	<b>3,860.56</b>	-	-
<b>At 1st April, 2016</b>	<b>1,825.00</b>	<b>596.62</b>	<b>25.34</b>	<b>1,411.79</b>	<b>12.77</b>	<b>1.58</b>	<b>3.51</b>	<b>71.73</b>	<b>3,948.34</b>	-	-

## Note :-

The company has applied the optional exemption to measure its Property, Plant & Equipment at the date of transitional at their previous GAAP carrying amount and used it as the deemed cost for such assets except freehold land which is carried at fair value

## Revaluation of Land:

The revalued land consist of industrial property in India. The management determined that these constitute one class of asset under Ind AS 113, based on the nature, characteristics and risks of the property. Fair value of the land was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation April 01, 2016, the land's fair values are based on valuations performed by Pranav Parikh & Associates an accredited independent valuer who has relevant valuation experience for similar properties in India.

If land was measured using the cost model. The carrying amounts would be as follows:

Net book value	(` in lakhs)		
	31/3/2018	31/3/2017	1/4/2016
Cost	22.85	22.85	22.85
<b>Net carrying amount</b>	<b>22.85</b>	<b>22.85</b>	<b>22.85</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**  
(` in Lakhs)

	31st March, 2018	31st March, 2017	1st April, 2016
<b>3 Non-current Investments</b>			
<b>(I) Investment in equity instruments (Unquoted)</b>			
Equity shares of Precision Cast Alloy Pvt. Ltd. 47,500 (31.03.2017- 47,500: 31.03.2016- 47,500) Share of ` 10 each	3.80	3.80	3.80
<b>Sub Total (I)</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>
Aggregate Amount of Quoted Investments (in `)	-	-	-
Aggregate Amount of Unquoted Investments (in `)	3.80	3.80	3.80
<b>4 Other Non-current Financial Assets</b>			
Security deposits	0.64	0.80	0.43
Margin Money Fixed Deposits with original maturity of more than 12 months	39.17	32.45	2.46
	<b>39.81</b>	<b>33.25</b>	<b>2.89</b>
<b>5 Other Non-current Assets</b>			
Capital Advances	24.50	28.50	27.75
	<b>24.50</b>	<b>28.50</b>	<b>27.75</b>
<b>6 Inventories (valued at lower of cost and net realizable value) (Refer Note No 1.11)</b>			
Raw materials	311.07	307.36	304.26
Work-in-progress	1,249.00	1,121.64	761.01
Finished goods	761.43	790.45	617.95
Waste	18.82	13.81	10.62
Stores & spares, Fuel	49.92	54.16	51.04
	<b>2,390.24</b>	<b>2,287.42</b>	<b>1,744.88</b>
<b>7 Trade receivables</b>			
Trade receivables			
Secured - Considered Good			
Unsecured - Considered Good	2,981.16	3,248.10	3,215.57
Considered Doubtful	6.42	5.00	5.00
Less : Allowance for Doubtful trade receivables	(6.42)	(5.00)	(5.00)
	<b>2,981.16</b>	<b>3,248.10</b>	<b>3,215.57</b>
<b>Reconciliation of allowances for doubtful debts</b>			
Balance at the beginning of the year	5.00	5.00	5.00
Add: Allowance for the year	27.50	-	-
(Less): Actual Write off during the year( net of recovery)	(26.08)	-	-
<b>Balance at the end of the year</b>	<b>6.42</b>	<b>5.00</b>	<b>5.00</b>

No trade or other receivables are due from director or other officers of the company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

**Reconciliation of allowances for doubtful debts**

Balance at the beginning of the year	5.00	5.00	5.00
Add: Allowance for the year	27.50	-	-
(Less): Actual Write off during the year( net of recovery)	(26.08)	-	-
<b>Balance at the end of the year</b>	<b>6.42</b>	<b>5.00</b>	<b>5.00</b>

(₹ in Lakhs)

	31st March, 2018	31st March, 2017	1st April, 2016
<b>8 Cash and Cash Equivalents</b>			
Cash on hand	7.53	5.49	9.55
Balances with banks			
(i) On current accounts	0.70	0.60	1.78
(ii) Margin Money Fixed Deposits with original maturity of less than 3 months	3.02	59.62	32.04
<b>Total</b>	<b>11.25</b>	<b>65.71</b>	<b>43.37</b>
<b>9 Balances with banks other than Cash and Cash Equivalents</b>			
Margin Money Fixed Deposits with original of maturity more than 3 months but less than 12 months	52.05	70.85	94.18
<b>Total</b>	<b>52.05</b>	<b>70.85</b>	<b>94.18</b>
Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposit rates are made for varying periods of between one day to three months, depending on the immediate cash requirements of the company and earn interest at the respective short term deposit rates.			
<b>10 Other Current Financial Assets (Unsecured, considered good unless otherwise stated)</b>			
Security deposits	33.02	25.22	29.54
Balances with Government Authorities	766.27	190.13	126.23
Export Incentive Receivable	276.41	193.47	265.25
Subsidy Receivable	24.62	33.10	124.99
Loans to Employees	2.09	1.53	-
Interest accrued on Fixed Deposits	1.79	13.83	9.35
Mark to market Gain on Derivative	-	51.14	40.79
Other assets (includes other receivables, etc.)	13.36	14.63	60.27
<b>Total</b>	<b>1,117.56</b>	<b>523.05</b>	<b>656.42</b>
<b>11 Other Current Assets</b>			
Deferred borrowing cost	0.07	1.58	3.10
Prepaid expenses	2.50	3.68	2.56
<b>Total</b>	<b>2.57</b>	<b>5.26</b>	<b>5.66</b>

(` in Lakhs)

	31st March, 2018	31st March, 2017	1st April, 2016
<b>12 Equity Share Capital</b>			
<b>Authorised</b>			
50,00,000 (31st March, 2017: 50,00,000) (1st April, 2016:50,00,000) Equity Shares of ` 10/- each	500.00	500.00	500.00
<b>Issued, Subscribed and Fully Paid-up Equity Shares</b>			
48,88,300 (31st March, 2017: 48,88,300) (1st April, 2016: 48,88,300) Equity Shares of ` 10/- each	488.83	488.83	488.83
<b>Total Issued, Subscribed and Fully Paid-up</b>			
<b>Equity Share Capital</b>	<b>488.83</b>	<b>488.83</b>	<b>488.83</b>

**a. Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting Period**

Equity Shares	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the period	4,888,300	488.83	4,888,300	488.83
Add: Issued shares during the year	-	-	-	-
Outstanding at the end of the period	4,888,300	488.83	4,888,300	488.83

**b. 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 shares is entitled to one vote per share.

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.

**c. Details of shareholders holding more than 5% shares in the Company.**

Equity shares of ` 10 each fully paid <b>Name of the shareholder</b>	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares held	holding in the class	No. of shares held	holding in the class	No. of shares held	holding in the class
Ashokkumar Chhajer	1,392,000	28.48%	1,392,000	28.48%	1,392,000	28.48%
Rishabh Chhajer	525,000	10.74%	525,000	10.74%	525,000	10.74%
Sushma Chhajer Ratanchand	519,440	10.63%	519,440	10.63%	519,440	10.63%
Ashokkumar HUF	415,800	8.51%	415,800	8.51%	415,800	8.51%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares

	( ₹ in Lakhs)	
	31st March, 2018	31st March, 2017
<b>13 Other Equity</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	4.30	4.30
Add: Amount transferred from surplus balance in the statement of P&L	-	-
	<u>4.30</u>	<u>4.30</u>
<b>Securities Premium Account</b>		
Balance as per the last financial statements	301.75	301.75
<b>Other Comprehensive Income</b>		
Balance as per last financial statements		
Revaluation of Land (net of deferred tax of ₹ 347.41 lakhs)	1,454.73	1,454.73
Remeasurement of Employee Benefit Add/(Less) OCI for the year		
<b>Closing Balance</b>	<u>1,454.73</u>	<u>1,454.73</u>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as per last financial statements	981.70	858.19
Profit for the year	171.34	123.51
OCI for the year		
<b>Closing Balance</b>	<u>1,153.04</u>	<u>981.70</u>
<b>Total Other Equity</b>	<u>2,913.82</u>	<u>2,742.48</u>

	( ₹ in Lakhs)		
	31st March, 2018	31st March, 2017	1st April, 2016
<b>14 Non-current Borrowings</b>			
<b>Term Loan</b>			
<b>From Bank - Secured</b>			
Term Loan- Tuff scheme	359.77	551.47	742.66
Against hypothecation of vehicle	3.35	7.47	15.03
<b>Other Loans</b>			
Loans from directors (unsecured)	296.36	228.11	1,445.48
Inter Corporate Loans (unsecured)	1,144.48	1,204.54	-
	<u>1,803.96</u>	<u>1,991.59</u>	<u>2,203.17</u>
<b>The above amount includes</b>			
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note No. 19)	168.35	196.19	199.33
	<u>1,635.61</u>	<u>1,795.40</u>	<u>2,003.84</u>

- a. Term loans from State Bank of India are taken during the financial year 2011-12 to 2013-14 and carries interest 10.50% p.a. The loans are repayable in 72 monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of entire current assets of the company and hypothecation of existing Plant & Machineries, Electric installation, Building & Proposed machineries & Building. (Also guaranteed by Managing Director)
- iii) Working Capital, Suppliers Line of Credit from Banks in Indian Currency and Short Term Loan from banks are secured by a hypothecation of current assets and certain tangible movable plant & machinery and joint equitable mortgage of certain immovable fixed assets of the Company, personal guarantee of three promoter directors and lien on certain Fixed Deposits of the Company.



	(` in Lakhs)		
	31st March, 2018	31st March, 2017	1st April, 2016
<b>15 Non-current Provisions</b>			
(a) <b>Provision for Employee Benefits</b>			
Compensated Absences	5.28	3.76	1.54
Gratuity (Refer Note No. 38)	20.29	18.50	15.50
<b>Total</b>	<u>25.57</u>	<u>22.26</u>	<u>17.04</u>

	(` in Lakhs)	
	31st March, 2018	31st March, 2017

<b>16 Income tax</b>		
<b>A. Income tax recognised in Statement of Profit or Loss:</b>		
<b>Current Tax:</b>		
Current tax	84.67	64.03
Tax in respect of earlier year	(0.50)	-
<b>Total Current Tax</b>	<u>84.17</u>	<u>64.03</u>
<b>Deferred Tax:</b>		
Deferred tax	(60.91)	(17.89)
MAT credit entitlement		
<b>Total deferred tax</b>	<u>(60.91)</u>	<u>(17.89)</u>
<b>Total tax expense/(benefit)</b>	<u>23.26</u>	<u>46.14</u>
<b>Effective income tax rate</b>	<u>11.99%</u>	<u>27.37%</u>

**B. A reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:**

Profit/ (loss) before tax	193.95	168.56
Enacted tax rate in India (Normal rate)	33.06%	33.06%
<b>Expected income tax expense/ (benefit) at statutory tax rate</b>	<u>64.13</u>	<u>55.73</u>
Expenses disallowed for tax purposes	1.74	2.45
Income exempt from tax	(0.65)	(12.22)
At the effective rate 27.82% (31 March 31, 2017: 33.06%)	(40.61)	-
Tax pertaining to prior years	(0.50)	-
Other adjustments	(0.85)	0.18
<b>Tax expense for the year</b>	<u>23.26</u>	<u>46.14</u>
<b>Movement in MAT credit entitlement:</b>		
Balance at the beginning of year	968.01	972.56
Add: MAT credit entitlement availed during the year	-	131.16
Add: MAT credit entitlement of earlier years	462.65	-
(Less) Utilisation of MAT credit entitlement	(446.53)	(135.71)
<b>Balance at the end of year</b>	<u>984.13</u>	<u>968.01</u>

**C Movement In Deferred Tax Assets And Liabilities**

( ` in Lakhs)

Movement during the year ended 31st March, 2017	As at 1st April, 2016	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at 31st March, 2017
<b>Deferred Tax Asset/(Liabilities)</b>					
Depreciation	262.75	(1.72)	-	-	264.47
Revaluation on Land	347.42	-	-	-	347.42
Others	35.37	11.68	(0.54)	-	23.15
<b>Total</b>	<b>645.54</b>	<b>9.96</b>	<b>(0.54)</b>	<b>-</b>	<b>635.02</b>
MAT Credit Entitlements (Net) Expenditure allowed in the year of payment	65.38	-	-	(20.73)	44.65
Others	4.16	6.85	-	-	11.01
	1.65	-	-	-	1.65
<b>Total</b>	<b>574.35</b>	<b>17.89</b>	<b>(0.54)</b>	<b>(20.73)</b>	<b>577.73</b>
<b>Movement during the year ended 31st March, 2018</b>					
Movement during the year ended 31st March, 2018	As at 1st April, 2017	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at 31st March, 2018
<b>Deferred Tax Asset/(Liabilities)</b>					
Depreciation	264.47	38.37	-	-	226.10
Revaluation on Land	347.42	1.26	-	-	346.16
Others	23.15	21.51	(0.33)	-	1.97
<b>Total</b>	<b>635.04</b>	<b>61.14</b>	<b>(0.33)</b>	<b>-</b>	<b>574.23</b>
MAT Credit Entitlements (Net) Expenditure allowed in the year of payment	44.69	2.92	-	(40.95)	6.62
Others	11.01	0.03	-	-	11.04
	1.65	(0.26)	-	-	1.39
<b>Total</b>	<b>577.73</b>	<b>63.83</b>	<b>(0.33)</b>		<b>555.18</b>

( ` in Lakhs)

	31st March, 2018	31st March, 2017	1st April, 2016
<b>17 Current Borrowings</b>			
<b>From Bank - Secured</b>			
Cash credit/ packing credit/ Supplier line credit	2,003.09	1,600.18	1,611.57
<b>Unsecured</b>			
Inter Corporate Loans	50.71	7.64	52.85
	<b>2,053.80</b>	<b>1,607.82</b>	<b>1,664.42</b>

Hypothecation of entire current assets of the company and hypothecation of existing plant and machinery of the company, electric installation, Building & Proposed machinery & buildings. The cash credit is repayable on demand & carries interest @ 10.50% p.a. (Also guaranteed by Managing Director)

	(` in Lakhs)		
	31st March, 2018	31st March, 2017	1st April, 2016
<b>18 Trade and other payables</b>			
Trade payables	2,117.88	2,109.41	1,899.55
Micro, Small & Medium Enterprises (Refer Note No. 40)	-	-	-
	<u>2,117.88</u>	<u>2,109.41</u>	<u>1,899.55</u>
<b>19 Other Financial Liabilities (Current)</b>			
Current maturities of long-term borrowings (Secured) (Refer Note No. 14)	168.35	196.19	199.33
Statutory Liabilities	20.83	100.32	80.22
Interest accrued	23.18	77.34	55.20
Mark to Market liabilities on Derivatives	16.51	-	-
Other Liability	20.56	3.11	-
<b>Total other financial liabilities</b>	<u>249.43</u>	<u>376.96</u>	<u>334.75</u>
<b>20 Other Current Liabilities</b>			
Advance from Customers	274.64	357.72	103.83
Payables for capital goods	4.03	2.36	2.15
	<u>278.67</u>	<u>360.08</u>	<u>105.98</u>
<b>21 Current Provisions</b>			
<b>Provision for Employee Benefits</b>			
Compensated Absences	1.31	0.92	0.40
Gratuity (Refer Note No. 38)	3.92	3.21	3.64
	<u>5.23</u>	<u>4.13</u>	<u>4.04</u>
<b>22 Liabilities for Current Tax (Net)</b>			
Tax Balances: (Provisions Less Advance Tax)	43.05	41.40	38.03
	<u>43.05</u>	<u>41.40</u>	<u>38.03</u>

	For the year ended	
	31st March, 2018	31st March, 2017
<b>23 Revenue from operations</b>		
A Sale of Products		
i) Finished goods		
Export	8,650.30	6,133.22
Domestic (Gross)	3,251.65	3,348.52
<b>Sub Total (i)</b>	11,901.95	9,481.74
(ii) Traded Goods		
Export	-	-
Domestic	400.28	101.26
<b>Sub Total (ii)</b>	400.28	101.26
<b>Sub Total (i + ii)</b>	<u>12,302.23</u>	<u>9,583.00</u>
B Other Operating Revenue		
Jobwork Income	29.72	36.89
Exports Incentive	586.04	382.33
Sale of Scrap	132.41	161.26
<b>Other Operating Revenue</b>	<u>748.17</u>	<u>580.48</u>
<b>Revenue from operations Total (A+B)</b>	<u>13,050.40</u>	<u>10,163.48</u>

(₹ in Lakhs)

For the year ended

	31st March, 2018	31st March, 2017
<b>24 Other income</b>		
Profit on Sale of Fixed Assets (Net)	1.96	-
Interest Income on:		
Bank deposits	9.37	7.44
Other financial income	3.09	15.38
Exchange rate differences (net)	-	29.59
	<b>14.42</b>	<b>52.41</b>
<b>25 Cost of Materials Consumed</b>		
<b>Raw Materials</b>		
Inventory at the beginning of the year	251.09	221.43
Add: Purchases	9,045.22	7,574.03
Less: Inventory at the end of the year	(311.07)	(251.09)
Total Cost of Raw Material Consumed	<b>8,985.24</b>	<b>7,544.37</b>
<b>26 Purchase of traded goods</b>		
Purchase of Stock-in trade	380.77	97.56
	<b>380.77</b>	<b>97.56</b>
<b>27 Changes in inventories of finished goods, Stock-in -Trade and work-in- progress</b>		
<b>Inventories at the Closing of the year</b>		
Work-in-Progress	1,249.00	1,121.64
Finished Goods	761.43	790.45
Waste	18.82	13.81
<b>Sub Total (i)</b>	<b>2,029.25</b>	<b>1,925.90</b>
<b>Inventories at the Beginning of the year</b>		
Work-in-Progress	1,121.64	761.02
Finished Goods	790.45	617.95
Waste	13.81	10.62
<b>Sub Total (ii)</b>	<b>1,925.90</b>	<b>1,389.59</b>
<b>Sub Total (ii-i)</b>	<b>(103.35)</b>	<b>(536.31)</b>
<b>28 Excise duty on sale of goods</b>		
Excise duty	29.33	422.47
	<b>29.33</b>	<b>422.47</b>
<b>29 Employee Benefit Expenses</b>		
Salaries, wages and bonus	245.25	179.89
Contribution to provident fund	8.40	9.55
Gratuity expense (refer note 38)	5.79	4.98
Leave Encashment Expense	2.07	3.04
Staff welfare expenses	3.24	3.35
	<b>264.75</b>	<b>200.81</b>

(` in Lakhs)

For the year ended

	31st March, 2018	31st March, 2017
<b>30 Finance costs</b>		
<b>a. Interest Expenses</b>		
Interest on Fixed Loans / Term Loan	10.98	33.57
Interest on Working Capital Loans	119.98	112.73
Interest on others	264.27	196.03
Interest on Income Tax	5.21	-
Interest on Indirect Tax	0.32	-
<b>b. Other Borrowing costs</b>		
Bank & other charges	43.51	37.60
	<b>444.27</b>	<b>379.93</b>
<b>31 Other Expenses</b>		
Consumption of stores and spares	231.13	197.11
Installation Expense	26.30	-
Labour & Process charges	838.27	302.85
Power and fuel	683.28	599.29
Factory Rent	43.29	32.46
Freight and forwarding charges	457.41	378.31
Insurance	22.52	20.11
<b>Repairs and maintenance</b>		
Plant and machinery	23.39	3.89
Buildings	4.61	0.53
Others	12.77	6.63
Bad debts/advances written off (net of ` 3.45 lakhs provided in earlier years)	22.63	26.35
Provision for Doubtful Debts	5.00	-
Payment to Auditor	3.02	3.99
Foreign Exchange Fluctuation (Net)	57.17	-
Commission	11.22	0.11
Legal & professional expenses	34.31	25.74
Travelling Expense	36.54	26.34
Miscellaneous expenses	184.50	142.58
	<b>2,697.36</b>	<b>1,766.29</b>
<b>31.1 Payment to Auditor as:</b>		
(a) Audit fee	1.55	1.55
(b) Tax Audit Fee	1.06	1.06
(c) Limited review & Certification	0.41	1.38
	<b>3.02</b>	<b>3.99</b>
<b>32 Contingencies and Commitments (Refer Note No. 1.13)</b>		
Estimated amount of contract remaining to be executed in Capital Account (net of advances) not provided for ` 25.00 Lakhs (P.Y ` 25.00 Lakhs)		
<b>33 Fair Value Measurement</b>		
Financial Instrument by category and hierarchy		
The fair value of the financial assets and liabilities are included at the amount of which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.		

The following methods and assumptions were used to estimate the fair values:

1. Fair Value of Cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amount largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rate are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair values of such instruments is not materially different from their carrying amounts:-  
For the financial assets and liabilities that are measured at fair values, the carrying amount are equal to the fair value.

**Accounting classification and fair values**

(` in Lakhs)

Financial Assets & Financial Liabilities	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Fair value Through Profit or loss/ Other Comprehensive Income	Amortised Cost	Total	Fair value Through Profit or loss/ Other Comprehensive Income	Amortised Cost	Total	Fair value Through Profit or loss/ Other Comprehensive Income	Amortised Cost	Total
<b>Financial Assets</b>									
Cash & Cash Equivalents	-	11.25	11.25	-	65.71	65.71	-	43.37	43.37
Bank balances other than cash and cash Equivalents	-	52.05	52.05	-	70.85	70.85	-	94.18	94.18
Investments	3.80	-	3.80	3.80	-	3.80	3.80	-	3.80
Trade receivables	-	2,981.16	2,981.16	3,248.10	-	3,248.10	-	3,215.57	3,215.57
Other Financial Assets	-	1,157.37	1,157.37	556.30	-	556.30	-	659.31	659.31
<b>Total</b>	<b>3.80</b>	<b>4,201.83</b>	<b>4,205.63</b>	<b>3,808.20</b>	<b>136.56</b>	<b>3,944.76</b>	<b>3.80</b>	<b>4,016.23</b>	<b>4,016.23</b>
<b>Financial Liabilities</b>									
Borrowings	-	3,689.41	3,689.41	-	3,403.22	3,403.22	-	3,668.26	3,668.26
Trade Payable	-	2,117.88	2,117.88	-	2,109.41	2,109.41	-	1,899.55	1,899.55
Other Financial Liabilities	-	249.43	249.43	-	376.96	376.96	-	334.75	334.75
<b>Total</b>	<b>-</b>	<b>6,056.72</b>	<b>6,056.72</b>	<b>-</b>	<b>5,889.59</b>	<b>5,889.59</b>	<b>-</b>	<b>5,902.56</b>	<b>5,902.56</b>

Comparison of Fair value and Carrying Value

(` in Lakhs)

Financial Assets & Financial Liabilities	Carrying Value			Fair Value		
	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016
<u>Financial Asset</u>						
FVTPL Investments						
<u>Financial Liabilities</u>						
Borrowings	3,689.41	3,403.22	3,668.26	3,689.41	3,403.22	3,668.26

**Fair value Hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

( ₹ in Lakhs)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	<b>Assets</b>								
Investment (other than investment in subsidiaries, Joint Venture & Associates)	-	-	3.80	-	-	3.80	-	-	3.80
<b>Total-</b>	-	3.80	-	-	3.80	-	-	3.80	

Significant Unobservable Inputs Used In Level 3 Fair Values

As at 31st March, 2018	Significant unobservable inputs	Sensitivity of input to fair value measurement
Non-current investments in unquoted equity shares	Discounted Cash Flow Discount Rate : 11%	1 % increase in discount rate will have decrease in investment by ₹ 0.11 lakhs and 1% decrease in discount rate will have an equal but opposite effect.

### 34 Capital risk Management

Equity Share capital and other equity are considered for the purpose of company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The Capital structure of the company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### 35 Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks. The company's senior management has the overall responsibility for establishing and governing the company's risk management framework. The company has constituted a risk management committee, which is responsible for developing and monitoring the company's risk management policies. The company's risk management policies are established to identify and analyse the risks faced by the company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

#### A. Management of Liquidity Risk

Liquidity risk is the risk that the company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Due to dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Exposure as at 31st March 2018

(₹ in Lakhs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	2,053.80	1,635.61	-	3,689.40
Trade Payable	2,117.87	-	-	2,117.88
Other Financial Liabilities	249.43	-	-	249.43
<b>Total Financial Liabilities</b>	<b>4,421.11</b>	<b>1,635.61</b>	-	<b>6,056.72</b>

Exposure as at 31st March 2017

<b>Financial Liabilities</b>				
Borrowings	1,607.82	1,795.40	-	3,403.22
Trade Payable	2,109.41	-	-	2,109.41
Other Financial Liabilities	376.96	-	-	376.96
<b>Total Financial Liabilities</b>	<b>4,094.19</b>	<b>1,795.40</b>	-	<b>5,889.59</b>

Exposure as at 1st April 2016

<b>Financial Liabilities</b>				
Borrowings	1,664.42	2,003.84	-	3,668.26
Trade Payable	1,899.55	-	-	1,899.55
Other Financial Liabilities	334.75	-	-	334.75
<b>Total Financial Liabilities</b>	<b>3,898.72</b>	<b>2,003.84</b>	-	<b>5,902.56</b>

**Financial Arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Expiring within one year (Bank overdraft and other facilities)	7.36	5.37
Expiring beyond one year (bank loans)	-	-

**B. Management of Market Risk**

The company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Foreign Currency risk
- Equity risk
- Interest rate risk

The above risks may affect the company's income and expenses, or the value of its financial instruments. The company's exposure to and management of these risks are explained below:

**(i) Foreign Currency risk****Derivative Instruments and unhedged foreign currency exposure****(a) Derivatives outstanding as at reporting date**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Currency	Amount	Currency	Amount
Forward contract to sell USD	USD	34.00	USD	34.93
Forward contract to sell EURO	EURO	0	EURO	2.71



**(b) Particular of unhedged foreign currency exposures as at the reporting date.**

**Currency exposure as at 31<sup>st</sup> March 2018**

Particulars	( ₹ in Lakhs)				
	USD	EURO	AED	SGD	Other
Trade receivables	-	2.21	-	-	-
Trade Payable	3.14	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-
<b>Currency exposure as at 31<sup>st</sup> March 2017</b>					
Trade receivables	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-
Borrowings	-	-	-	-	-
Trade Payable	6.37	-	-	-	-
Other Financial Liabilities	-	-	-	-	-

Management Policy

The company manages foreign currency exposures within the prescribed limits, through use of forward exchange contracts. Foreign currency exchange rate exposure is partly balanced by purchasing of goods/commodities in the respective currencies.

Sensitivity to Risk

A change of 5% in Foreign currency would have following Impact on profit before tax

Particulars	( ₹ in Lakhs)			
	For the year ended 31 <sup>st</sup> March, 2018		For the year ended 31 <sup>st</sup> March, 2017	
	5% increase	5% decrease	5% increase	5% decrease
USD	51.93	(51.93)	43.35	(43.35)
EURO	8.90	(8.90)	7.54	(7.54)
<b>Increase/ decrease in profit &amp; loss</b>	<b>60.83</b>	<b>(60.83)</b>	<b>50.89</b>	<b>(50.89)</b>

**(ii) Price Risk**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity Analysis

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

A change of 5% in market index would have following Impact on profit before tax

Particulars	( ₹ in Lakhs)	
	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
BSE Index 100 - Increase by 5%	-	-
BSE Index 100 - Decrease by 5%	-	-

The above referred sensitivity pertains to quoted equity investments. Profit for the year would increase/decrease as a result of gains/losses on equity securities as at Fair Value through Profit or Loss (FVTPL).

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	(` in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
50 bp decrease would increase the profit before tax by	1.80	2.76
50 bp increase would decrease the profit before tax by	1.80	2.76

**C Management of Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The Ageing analysis of Account receivables has been considered from the date the invoice falls due

Particulars	(` in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>0-2 months</b>	877.19	1,220.41
<b>2-4 months</b>	440.45	381.42
<b>4-6 months</b>	310.77	378.79
<b>6-12 months</b>	497.62	652.54
<b>above 12 months</b>	855.12	614.94
<b>Total</b>	<b>2,981.15</b>	<b>3,248.10</b>

The following table summarizes the changes in loss allowances measured using life time expected credit loss model

Particulars	(` in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Opening Allowances</b>	5.00	5.00
<b>Add:- Additional Allowances made</b>	27.50	0.00
<b>Less:- Allowances utilised against bad debts</b>	26.08	0.00
<b>Closing Allowances</b>	<b>6.42</b>	<b>5.00</b>

**No Significant changes in estimation techniques or assumptions were made during the year**

### 36 Earnings per Share (EPS) as per Indian Accounting Standard 33:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year year ended	
	31st March 2018	31st March 2017
Net Profit as per Statement of Profit & Loss	171	122.42
No. of weighted average outstanding Equity Shares	4,888,300	4,888,300.00
Earning per Equity Share of ` 10/- each (Basic & Diluted)	3.49	2.50

**37 Related Party Transactions as per Indian Accounting Standard 24:**

The disclosure in pursuance to Indian Accounting Standard-24 on “Related Party disclosures” is as under:

**(a) Name of Related Parties & Relationship**

<b>SN</b>	<b>Name</b>	<b>Relationship</b>	<b>Manner</b>
1	Ashok Chhajer	Managing Director (Key management personnel)	Key Managerial Personnel & Personnel exercising more than 20% voting power
2	Rishab Chhajer	Joint Managing Director (Key management personnel)	Key Managerial Personnel & Relative as Son of Shri Ashok Chhajer
3	Kashyap R Mehta	Director	Key Managerial Personnel
4	Typhoon financial service Limited	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
5	Worldwide impex Pvt. Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
6	APA Finance Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
7	Technomod Prop. P. Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
8	Indian Agrotech Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits

(b) Transactions during the year with related parties mentioned in (a) above, in ordinary course of business & balances outstanding as at the year end:

(` in Lakhs)				
Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person
<b>(a) Managerial Remuneration</b>				
Ashok chhajer	19.80	19.80		
P.Y.	13.20	13.20		
Rishab chhajer	15.39	15.39		
P.Y.	7.31	7.31		
<b>(b) Legal and Professional fees</b>				
Mr. Kashyap Mehta	2.05	2.05		
P.Y.	2.39	2.39		
<b>(c) Interest expense(*)</b>				
Ashok chhajer	0.21		0.21	
P.Y.	-		-	
Typhoon financial service Limited	4.73			4.73
P.Y.	5.45			5.45
Worldwide impex Pvt. Ltd.	15.83			15.83
P.Y.	21.27			21.27
<b>(d) Balance Outstanding as at 31st March 2018</b>				
<b>(i) Loan Taken/(Given)</b>				
Ashok chhajer	61.53	61.53		
P.Y.	-	-		
Rishab chhajer	14.97	14.97		
P.Y.	12.50	12.50		
Typhoon financial service Ltd.	171.80			171.80
P.Y.	145.90			145.90
Worldwide impex Pvt. Ltd.	48.84			48.84
P.Y.	46.95			46.95
APA Finance Ltd.	-			-
P.Y.	(4.50)			(4.50)
<b>(ii) Loan Repaid/(Recovered)</b>				
Ashok chhajer	12.00	12.00		
P.Y.	(2.50)	(2.50)		
Rishab chhajer	15.00	15.00		
P.Y.	-	-		
Typhoon financial service Ltd.	152.85			152.85
P.Y.	247.99			247.99
Worldwide impex Pvt. Ltd.	156.12			156.12
P.Y.	80.23			80.23
APA Finance Ltd.	-			-
P.Y.	(4.50)			(4.50)
Indian Agrotech Ltd.	-			-
P.Y.	19.50			19.50

\* This amount includes TDS paid on interest.

**Compensation to Key Managerial Personnel of the Company:**

(₹ in lakhs)

Nature of Benefits	Year ended	Year ended
	31st March 2018	31st March 2017
Short-term employee benefits	35.19	20.51
Post-employment gratuity benefits**	-	-
<b>Total</b>	<b>35.19</b>	<b>20.51</b>

\*\*Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel has not been included in (b) above.

**38 Post Retirement Benefit Plans as per Indian Accounting Standard 19:**

As per Actuarial Valuation as on 31st March, 2018, 31st March, 2017 and 1st April, 2016 and recognised in the financial statements in respect of Employee Benefit Schemes:

(₹ in Lakhs)

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
A. Amount recognised in the Balance Sheet			
<b>Gratuity:</b>			
Present value of plan liabilities	24.21	21.71	19.14
Fair value of plan assets	-	-	-
Deficit/(Surplus) of funded plans	24.21	21.71	19.14
Unfunded plans	-	-	-
<b>Net plan liability/ (Asset)*</b>	<b>24.21</b>	<b>21.71</b>	<b>19.14</b>

**B. Movements in plan assets and plan liabilities**

(₹ in Lakhs)

Gratuity:	For the year ended			For the year ended		
	31st March, 2018			31st March, 2017		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
<b>As at 1st April</b>	-	21.71	21.71	-	19.14	19.14
Current service cost	-	4.18	4.18	-	3.44	3.44
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding actual return on plan assets	-	-	-	-	-	-
Actual return on plan asset	-	-	-	-	-	-
Interest cost	-	1.60	1.60	-	1.54	1.54
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial Assumptions	-	(0.75)	(0.75)	-	1.19	1.19
Actuarial (gain)/loss arising from experience adjustments	-	(0.24)	(0.24)	-	(2.83)	(2.83)
Employer contributions	-	-	-	-	-	-
Benefit payments	-	(2.29)	(2.29)	-	(0.78)	(0.78)
<b>As at 31st March</b>	<b>-</b>	<b>24.21</b>	<b>24.21</b>	<b>-</b>	<b>21.71</b>	<b>21.71</b>

The liabilities are split between different categories of plan participants as follows:

**Defined benefit obligation and employer contribution**

(` in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
Active members	108.00	110.00

**C. Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses**

	Gratuity:	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current service cost	4.18	3.44
Finance cost/(income)	1.60	1.54
Asset/(Liabilities) recognised in Balance Sheet*		
<b>Net impact on the Profit / (Loss) before tax</b>	<b>5.79</b>	<b>4.98</b>
Return on plan assets excluding actuarial return on plan assets		
Actuarial gains/(losses) arising from changes in demographic		
Actuarial gains/(losses) arising from changes in financial assumption	(0.99)	(1.63)
Experience gains/(losses) arising on experience adjustments		
Benefit plan liabilities		
<b>Net Gain recognised in the Other Comprehensive Income before tax</b>	<b>(0.99)</b>	<b>(1.63)</b>

\* Surplus of assets over liabilities has not been recognised on the basis that future economic benefits are not available to the Company in the form of a reduction in future contributions or cash refunds.

**D. Assets**

(` in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Gratuity:</b>			
<b>Unquoted</b>			
Government Debt Instruments	-	-	-
Corporate Bonds	-	-	-
Insurer managed funds	-	-	-
Others	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**E. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

**Gratuity:**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial Assumptions</b>			
Discount rate	7.73%	0.07	0.08
Salary Escalation Rate #	6.00%	0.06	0.06
Attrition Rate	2.00%	0.02	0.02

**Demographic Assumptions**

Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.

**F. Sensitivity**

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

Gratuity :	As at 31st March, 2018			As at 31st March, 2017		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Discount rate	100 bps	(1.99)	2.33	100 bps	(1.95)	2.31
Salary Escalation Rate	100 bps	2.35	(2.03)	100 bps	2.32	(1.99)
Attrition Rate	100 bps	0.22	(0.27)	100 bps	0.18	(0.22)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**G. The defined benefit obligations shall mature after year end 31st March, 2018 as follows:**

Gratuity :	( ` in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
2019	3.92	3.21
2020	0.74	0.72
2021	1.57	0.68
2022	1.08	1.22
2023	1.21	1.01
Thereafter	6.74	6.88

**Risk Exposure - Asset Volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments % which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.



**(iii) Leave obligations**

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of ` 6.59 lakhs - [31st March, 17: ` 4.68 lakhs] [1st April, 16: ` 1.93 lakhs] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations

**(iv) Defined contribution plans**

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ` 8.39 Lakhs/-

- 39 Trade receivables includes ` 858.90 lakhs PY (` 26.21 lakhs) Outstanding for more than one year. Management believes the same are fully recoverable and that no provision is required to be made there against
- 40 The Company Secretary of the Company has resigned on 30.04.2018. The Company is in the process of recruiting another Company Secretary; the search is underway. In absence of an appointed Company Secretary in the interim period, the accounts have not been signed by a Company Secretary.
- 41 a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 Based on the information available with the company there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31st, 2018. Hence, the disclosure relating to amounts unpaid as at the year end to gather interest paid / payable under this Act have not been given. This is relied upon by the auditors.
- b) Trade payables includes acceptances of ` 383.94 lakhs (PY ` 306.18 lakhs).

---

As per our report of even date  
**For ARPIT PATEL & ASSOCIATES**  
**Chartered Accountants**  
Firm registration number: 144032W

**Arpit K Patel**  
Partner  
Membership no.: 034032  
Place : Ahmedabad  
Date : 30th May, 2018

**For and on behalf of the Board of  
Directors of Gujarat Craft Industries Limited**

**Ashok Chhajer** Managing Director  
**Rishab Chhajer** Joint Managing Director  
**Raichand Golchha** Chief Financial Officer  
Place : Ahmedabad  
Date : 30th May, 2018

**GUJARAT CRAFT INDUSTRIES LIMITED**

**[CIN: L29199GJ1984PLC007130]**

**Registered Office:**

Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol, Dist: Gandhinagar-382 721

FORM MGT-11

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]]

Name of the member (s):	
Registered Address:	
Email Id:	
Folio No./ DPID-Client ID:	

I/We, being the member (s) of ..... Shares of the above named Company, hereby appoint:

1. Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him

2. Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: .....

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 34<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 27<sup>th</sup> September, 2018 at 1.00 p.m. at the Registered Office of the Company at, 431, Santej-Vadsar Road, Santej, Tal.: Kalol, Dist.: Gandhinagar – 382 721 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Mr. Ashok Chhajer, liable to retire by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
3	Special Resolution for authorising the Board of Directors under Section 186 of the Companies Act, 2013.		

Signed this ..... day of ..... 2018

Signature of Shareholder .....

Signature of Proxyholder(s) (1).....(2).....



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

## Route Map for venue of Annual General Meeting



**GUJARAT CRAFT INDUSTRIES LIMITED**  
**[CIN: L29199GJ1984PLC007130]**

**Registered Office:**

Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol, Dist: Gandhinagar-382 721

**FORM MGT-12**

**ATTENDANCE / BALLOT FORM**

**(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING  
AND HAVE NOT OPTED FOR E-VOTING)**

1	Name and Address of the Sole/ First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our attendance at the meeting and vote(s) in respect of the resolutions set out in the Notice of 34 <sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Thursday, 27 <sup>th</sup> September, 2018, by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR) I/We assent to the resolution	(AGAINST) I/We dissent the resolution
<b>Ordinary Business</b>				
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon.			
2	Ordinary Resolution for re-appointment of Mr. Ashok Chhajer, liable to retire by rotation and being eligible, offers himself for re-appointment.			
<b>Special Business</b>				
3	Special Resolution for authorising the Board of Directors under Section 186 of the Companies Act, 2013.			

Place :

Date :

(Signature of the Shareholder/Proxy)

**Note: This Form is to be used for exercising attendance/ voting at the time of 34<sup>th</sup> Annual General Meeting to be held on Thursday, the 27<sup>th</sup> September, 2018 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.**

*If undelivered, please return to*

**GUJARAT CRAFT INDUSTRIES LIMITED**

**REGISTERED OFFICE:**

Plot No. 431, Santej-Vadsar Road,  
Village:Santej, Taluka:Kalol-382 721,  
Dist:Gandhinagar.