



**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 286131, +91 2764 248339/42 | M. 9909950534 | 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

An ISO-9001 Certified Company

17th August, 2019

BSE Limited

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

Company Code No. 526965

Dear Sir;

Sub: Submission of Notice of 35th Annual General Meeting and Annual Report 2018-19

Pursuant to Regulation 30 and 34(1)(a) of SEBI (LODR) Regulations, 2015, we are enclosing herewith:

1. Notice of 35th Annual General Meeting of the members of the Company.
2. Annual Report 2018-19.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,

for GUJARAT CRAFT INDUSTRIES LIMITED

Sejal Kanbi
SEJAL KANBI
COMPANY SECRETARY
(M. NO: A47980)



Encl: As above.

35TH ANNUAL REPORT

2018-19



**GUJARAT CRAFT
INDUSTRIES LTD**

[CIN : L29199GJ1984PLC007130]

GUJARAT CRAFT INDUSTRIES LIMITED

[CIN: L29199GJ1984PLC007130]

35TH ANNUAL REPORT 2018-19

BOARD OF DIRECTORS	:	Mr. Anilkumar Bhandari Mr. Ashok Chhajer Mr. Rishab Chhajer Mr. Kashyap R. Mehta Ms. Swati Pipara	Chairman Managing Director Joint Managing Director Director Director
MANAGEMENT TEAM	:	Mr. Raichand M. Golchha Ms. Sejal Kanbi	Chief Financial Officer Company Secretary
STATUTORY AUDITORS	:	M/s. Arpit Patel & Associates, Chartered Accountants, Ahmedabad	
SECRETARIAL AUDITOR	:	M/s. Pinakin Shah & Co., Practising Company Secretaries Ahmedabad	
BANKERS	:	State Bank of India	
REGISTERED OFFICE & WORKS	:	Plot No.431, Santej-Vadsar Road, Village : Santej, Taluka : Kalol - 382 721, District : Gandhinagar	
CITY OFFICE	:	35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad - 380 009	
REGISTRAR AND SHARE TRANSFER AGENTS	:	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	
WEBSITE	:	www.gujaratcraft.com	

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NOTICE

NOTICE is hereby given that the **35TH ANNUAL GENERAL MEETING** of the Members of **GUJARAT CRAFT INDUSTRIES LIMITED** will be held as scheduled below:

Date : 27th September, 2019
 Day : Friday
 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 31st March, 2019, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rishab Chhajer (DIN – 05184646), 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 Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) as amended from time to time, Mr. Kashyap R. Mehta (DIN: 00005063), whose term as an Independent Director of the Company expires on the conclusion of this 35th Annual General Meeting and who has consented to act as an Independent Director of the Company and has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from the conclusion of this 35th Annual General Meeting up to the conclusion of the 40th Annual General Meeting to be held in the calendar year 2024 and he will not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) as amended from time to time, Mr. Anil Kumar Bhandari (DIN: 02718111), whose term as an Independent Director of the Company expires on the conclusion of this 35th Annual General Meeting and who has consented to act as an Independent Director of the Company and has submitted his

declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from the conclusion of this 35th Annual General Meeting up to the conclusion of the 40th Annual General Meeting to be held in the calendar year 2024 and he will not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:

Plot No. 431, Santej-Vadsar Road,
Village:Santej, Taluka:Kalol-382 721,
Dist:Gandhinagar.
Date : 18th July, 2019

By Order of the Board,

**Sejal Kanbi
Company Secretary**

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 **20th September, 2019 to 27th September, 2019** (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). Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
6. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) are stated at the end of the Explanatory Statement annexed hereto.
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 get their shares dematerialised as no physical shares can be traded in the Stock Exchanges in terms of SEBI and Stock Exchange guidelines.
10. **This is to bring to the notice of the Shareholders that pursuant to SEBI Notifications, 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. 1st April, 2019. Hence Shareholders are advised to get their physical shares 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 2018-19 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 and that of Central Depository Services (India) Limited ("CDSL"), 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 Tuesday, 24th September, 2019 and ends at 5:00 p.m. on Thursday, 26th September, 2019.** 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. 20th September, 2019**, 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.
- (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 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 and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (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, under help section or write an email to 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 and on the website of CDSL- 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 35TH ANNUAL GENERAL MEETING DATED 18TH JULY, 2019.

In respect of Item No. 3 & 4:

Mr. Kashyap R. Mehta and Mr. Anil Kumar Bhandari were appointed as Independent Directors of the Company for a consecutive term of 5 years w.e.f. conclusion of 30th Annual General Meeting held on 26th September, 2014 and they were not liable to retire by rotation. Their said appointment is due to expire at the conclusion of this 35th Annual General Meeting of the members of the Company.

Pursuant to the provisions of section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment for second term on passing of a Special Resolution by the Company.

The Company has received a notice in writing from Member of the Company under section 160(1) of the Companies Act, 2013 proposing the candidature of Mr. Kashyap R. Mehta and Mr. Anil Kumar Bhandari for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Kashyap R. Mehta and Mr. Anil Kumar Bhandari fulfill the conditions of their appointment as Independent Directors of the Company as per the applicable provisions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI - Listing Regulations) for appointment as Independent Director and are independent of the management of the Company.

Details of Mr. Kashyap R. Mehta and Mr. Anil Kumar Bhandari are provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

In view of above and also considering the recommendation of Nomination and Remuneration Committee of the Company for re-appointment of Mr. Kashyap R. Mehta and Mr. Anil Kumar Bhandari as Independent Directors of the Company for a further consecutive second term of five years (viz. from the conclusion of this 35th Annual General Meeting up to the conclusion of the 40th Annual General Meeting to be held in the calendar year 2024), on the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company as well as fulfilling the criteria of their independence under Section 149(6) of Companies Act, 2013 read with Schedule IV thereto and Regulation 16(1) (b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said resolutions at item Nos. 3 & 4 are being recommended by the Board of Directors to the members of the Company for their consideration and accord approval thereto by way of Special Resolutions.

Mr. Kashyap R. Mehta and Mr. Anil Kumar Bhandari, respectively, are concerned or interested in the Resolutions mentioned at Item Nos. 3 & 4 of the Notice relating to their own re-appointment. Other than these Directors, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolutions mentioned at Item Nos. 3 & 4 of the Notice.

Registered Office:

Plot No. 431, Santej-Vadsar Road,
Village:Santej, Taluka:Kalol-382 721,
Dist:Gandhinagar.
Date : 18th July, 2019

By Order of the Board,

**Sejal Kanbi
Company Secretary**

BRIEF PARTICULARS/ PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT PURSUANT TO THE PROVISIONS OF REGULATION 26(4) & 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI:

Name of Directors	Kashyap R. Mehta	Anil Kumar Bhandari	Rishab Chhajer
Age (in years)	59	51	30
Date of Birth	07-03-1960	24-02-1968	14-10-1989
Date of Appointment	26-09-2014	26-09-2014	13-02-2017
Qualifications	B.Com, FCS, ACIS (London), ACMA	B.Sc., LL.B.	Bachelors of Industrial Engineering
Experience / Expertise	He is a Company Secretary in practice since last 3 decades. He has vast experience in Corporate Laws & Finance.	He has an experience of more than 2 decades in Banking, Finance and Corporate Strategy with significant exposure to Legal/ recovery including restructuring / OTS / BIFR	He has an experience in Industrial Engineering and Business Administration. He has also experience in international sales, marketing and production management
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the resolution at item nos. 2, 3 & 4 of the Notice convening this Meeting read with explanatory statement thereto		
Remuneration last drawn by such person, if any.	Refer to report on Corporate Governance and Form No. MGT-9 (Extract of Annual Return)		
Shareholding in the Company	Nil	Nil	5,25,000 Equity Shares
Relationship with other Directors, Manager and other KMP of the Company	Not related to any Director/KMP		Mr. Rishab Chhajer and Mr. Ashok Chhajer are related to each other
Number of Meetings of the Board attended during the year	9	9	7
List of other Public Companies in which Directorships held	1. Prism Finance Limited 2. Typhoon Financial Services Limited 3. Som Shiva (Impex) Limited	Rare Assets Construction Limited	Nil
List of Private Limited Companies in which Directorships held	1. Granula Masterbatches Private Limited 2. Innovate Derivative Private Limited 3. Innovate Securities Private Limited	1. Recreation Production House Private Limited 2. Renaissance Fiscal Services Private Limited	Garima Properties Private Limited
Chairman/Member of the Committees of Directors of other Companies	Typhoon Financial Services Limited – Chairman in Audit Committee & Stakeholders' Relationship Committee Prism Finance Limited – Member in Audit and Stakeholders' Relationship Committee	Nil	Nil
Justification for choosing the appointee for appointment as Independent Directors	On the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company		N.A.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 35th ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2018-19 ended on 31st March, 2019.

1. FINANCIAL RESULTS:

(` in lakh)

Particulars	2018-19	2017-18
Operating Profit (Before Interest & Depreciation)	763.26	810.72
Less : Financial Cost	416.52	444.27
Profit before Depreciation	346.74	366.45
Less : Depreciation and amortization expense	177.52	172.51
Profit before Tax	169.22	193.94
Less : Tax expenses	46.40	23.26
Profit after tax	122.82	170.68
Add: Other Comprehensive income	2.78	0.66
Total Income for the year	125.60	171.34

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2019 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 Rs. 139.52 Crores as compared to Rs. 130.50 Crores during 2017-18.

The Operating Profit (Before Interest and Depreciation) is Rs. 763.26 lakh during the year under review compared to Rs. 810.72 lakh during 2017-18. The Profit before Tax for the year under review is Rs. 169.22 lakh against Rs. 193.94 lakh during 2017-18. The Net Profit of the Company stood at Rs. 122.82 lakh compared to Rs. 170.68 lakh for the year 2017-18.

The Company has made export at FOB value of Rs. 80.23 Crores during the year under review compared to Rs. 80.41 Crores during 2017-18. 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. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31st March, 2019 was Rs. 488.83 Lakhs. As on 31st March, 2019, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

7. RESERVES:

Your Company does not propose to transfer any amount to general reserve.

8. DIRECTORS:

8.1 One of your Directors viz. Mr. Rishab Chhajer (DIN: 05184646) retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers himself for reappointment.

8.2 The Board of Directors duly met 9 times during the financial year under review.

8.3 Based on the recommendations of the Nomination and Remuneration Committee, it is proposed to re-appoint Mr. Kashyap R. Mehta and Mr. Anil Kumar Bhandari as Independent Directors of the Company for a second consecutive term of 5 years from the conclusion of this 35th AGM up to the conclusion of the 40th AGM respectively and they will not be liable to retire by rotation.

8.4 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.

8.5 Brief profile of the Directors being appointed and re-appointed as required under Regulation 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings and the justification for appointment/reappointment of Independent Directors are provided in the Notice for the forthcoming AGM of the Company.

8.6 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.

8.7 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 judgements 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 31st March, 2019 being end of the financial year 2018-19 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.

9. 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.

10. MANAGERIAL REMUNERATION:

REMUNERATION OF DIRECTORS:

Sr. No.	Name of the Director & Designation	Remuneration for the year 2018-19	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1.	Mr. Ashok Chhajer, Managing Director	26,40,000/-	33.33%	-	2,34,900/-	11.24	N.A.
2.	Mr. Rishab Chhajer, Jt. Managing Director	15,00,000/-	21.03%	-	2,34,900/-	6.39	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.

11. 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	33.33%
2.	Mr. Rishab Chhajer	Jt. Managing Director	21.03%
3.	Mr. Raichand Golchha	CFO	-
4.	Ms. Disha Punjani#	Company Secretary	-
5.	Ms. Sejal Kanbi*	Company Secretary	N.A.

Resigned w.e.f. 26th March, 2019 after the closure of business hours of the Company.

*Appointed w.e.f. 10th May, 2019

12. PERSONNEL AND H. R. D.:

12.1 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 Eighty Four. 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.

12.2 PARTICULARS OF EMPLOYEES:

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

13. 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.

14. 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**.

15. 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**.

16. 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 - D**.

The remarks of auditors are self explanatory.

17. EXTRACT OF ANNUAL RETURN:

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – E**. The same is also available on the Company's website at www.gujaratcraft.com

18. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

19. 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.

20. 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 2019-20.

21. GENERAL:**21.1. STATUTORY AUDITORS:**

At the 33rd Annual General Meeting held on 27th 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 auditors in respect of note no. 39 of the financial statement in respect of trade receivables are self explanatory.

21.2 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.

21.3 DEPOSITS:

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

21.4 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.

21.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

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

21.6 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.

21.7 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.

21.8 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.

21.9 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.

21.10 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.

21.11 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.

21.12 SECRETARIAL STANDARDS:

The Company complies with the Secretarial Standards, issued by the Institute of Company Secretaries of India, which are mandatorily applicable to the Company.

22. 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.

23. 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,

Anilkumar Bhandari
Chairman

Place : Ahmedabad.
Date : 18th July, 2019

(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:

	2018-19	2017-18
Total Foreign exchange earnings	₹ 78.45 Crore	₹ 85.02 Crore
Total Foreign Exchange expenditure	₹ 13.67 Lakh	₹ 13.94 Lakh

For and on behalf of the Board,

Place : Ahmedabad.
Date : 18th July, 2019

Anil Kumar 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 31st March, 2019.

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 31st March, 2019 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 2018-19	Attendance at the AGM held on 27-09-2018 Yes(Y)/No(N)
			Member	Chairman		
Ashok Chhajer, Managing Director	Promoter-Executive	3	1	—	9	Y
Rishab Chhajer, Joint Managing Director	Promoter-Executive	—	—	—	7	Y
Kashyap R. Mehta	Independent Non-Executive	3	2	2	9	Y
Anil Kumar Bhandari	Independent Non-Executive	1	—	—	9	Y
Swati Pipara	Independent Non Executive	—	—	—	9	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

- b) **Directorship in Listed Entities other than Gujarat Craft Industries Limited and the category of directorship as on 31st March, 2019, is as follows:**

Name of Director	Name of listed Company	Category of Directorship
Mr. Ashok Chhajer	Typhoon Financial Services Limited	Managing Director
Mr. Rishab Chhajer	-	-
Mr. Kashyap R. Mehta	Prism Finance Limited	Independent Director
	Typhoon Financial Services Limited	Independent Director
Mr. Anil Kumar Bhandari	-	-
Ms. Swati Pipara	-	-

- c) **Relationships between directors inter-se:**

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

- d) **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 2018-19 on 30th April, 2018, 21st May, 2018, 30th May, 2018, 20th July, 2018, 14th August, 2018, 21st August, 2018, 5th November, 2018, 14th February, 2019 and 26th March, 2019.

- e) **Shareholding of Non- Executive Directors as on 31st March, 2019:**

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

- f) **Familiarisation Program for Independent Directors:**

The details of the familiarization program are available on the Company's website – www.gujaratacraft.com

- g) **Chart or Matrix setting out the skills/ expertise/ competence of the board of directors specifying the following:**

Name	Qualifications	Experience / Expertise
Mr. Ashok Chhajer	Commerce Graduate	He is an industrialist. He has an experience of more than 3 decades in plastic & packaging industries. He has also relevant Experience in management and administration
Mr. Rishab Chhajer	Bachelors of Industrial Engineering	He has an experience in Industrial Engineering and Business Administration. He has also experience in international sales, marketing and production management
Mr. Kashyap R. Mehta	B.Com, FCS, ACIS (London), ACMA	He is a Company Secretary in practice since last 3 decades. He has vast experience in Corporate Laws & Finance.
Mr. Anil Kumar Bhandari	B.Sc., LL.B.	He has an experience of more than 2 decades in Banking, Finance and Corporate Strategy with significant exposure to Legal/ recovery including restructuring / OTS / BIFR
Ms. Swati Pipara	B.Com., Chartered Accountant	She is a Chartered Accountant in practice and has experience in the field of Accounts, Audit, Taxation and International Engagements.

- h) In accordance with para C of Schedule V of the Listing Regulations, the Board of Directors of the Company hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the Regulations and are independent of the management.
- i) None of the Independent Directors of the Company resigned during the financial year and hence no disclosure is required with respect to Clause 2(g) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2018-19
Anil Kumar 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 Chhajer			3 of 4

The Audit Committee met 4 times during the Financial Year 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on 30th May, 2018, 14th August, 2018, 5th November, 2018 and 14th February, 2019. 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 2018-19
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 Nomination 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 with a view to attract, motivate and retain employees.	During the year under review, meeting of Nomination & Remuneration Committee was held on 21-08-2018 & 05-11-2018. All the members were present at the said meeting
Anil Kumar 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:

1. The Company paid Managerial Remuneration of Rs. 41.40 Lakh to Managing Director & Joint Managing Director during the year 2018-19.
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors.
3. 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 31st March, 2019.

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 |
| 3. Mr. Ashok Chhajer | Member |

The Company received two complaints and the same were resolved during the year under review. There was no valid request for transfer of shares pending as on 31st March, 2019.

Ms. Disha M. Punjani, Compliance Secretary was the Compliance Officer for the above purposes up to 26th March, 2019 and Ms. Sejal M. Kanbi, Company Secretary is appointed as Compliance Officer of the Company w.e.f. 10th May, 2019.

7. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2015-16	27-09-2016	12.00 noon	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar. Special Resolution: 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. Special Resolution:- - 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.
2017-18	27-09-2018	1.00 p.m.	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar. Special Resolution:- Authority to the Board of Directors under Section 186 of the Companies Act, 2013.

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 2018-19.

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. 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 31st March, 2019, 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 : Friday Date : 27 th September, 2019 Time : 1.00 p.m Venue : Plot No. 431, Santej - Vadsar Road, Village: Santej, Taluka : Kalol - 382 721, Dist : Gandhinagar.				
c)	Financial Year	1 st April, 2018 to 31 st March, 2019				
d)	Financial Calendar	1st Quarter Results Mid - August, 2019. Half-yearly Results Mid - November, 2019. 3rd Quarter Results Mid - February, 2020. Audited yearly Results End - May, 2020.				
e)	Book Closure Dates	From : Friday, the 20 th September, 2019 To : Friday, the 27 th September, 2019 (Both days inclusive).				
f)	Dividend Payment Date	Not applicable.				
g)	Listing of Shares on Stock Exchanges	BSE Limited (BSE), P. J. Towers, Dalal Street, Fort, Mumbai 400 001 The Company has paid the annual listing fees for the financial year 2019-20.				
h)	Stock Exchange Code	<table border="0"> <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					
i)	Registrar and Share Transfer Agents (for both Physical and Demat Segment of Equity Shares) of the Company :	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 Email: ahmedabad@linkintime.co.in				
j)	ISIN	INE372D01019				
k)	Share Transfer System :	The transfer of shares in physical form is processed and completed by M/s. Link Intime India Pvt. Ltd. (RTA of the Company) 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 th June, 2018, SEBI has amended Regulation 40 of the Listing regulations effective from 1 st April 2019, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in Demat form. However, the transfer deed(s) lodged prior to the 1 st April, 2019 deadline and returned due to deficiency in the document, may be re-lodged				

for transfer even after the deadline of 1st April 2019 with the Registrar and Share transfer Agents of the Company. Hence, Shareholders are advised to get their shares dematerialized. In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

l) 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, 2018	47.95	38.50	8,016	35,160
May, 2018	36.80	32.35	4,910	35,322
June, 2018	35.25	32.00	6,414	35,424
July, 2018	38.40	31.60	811	37,607
August, 2018	40.90	34.30	13,166	38,645
September, 2018	41.40	34.20	7,702	36,227
October, 2018	40.00	35.00	7,926	34,442
November, 2018	43.05	34.80	6,672	36,194
December, 2018	42.00	37.70	953	36,068
January, 2019	50.45	28.50	2,423	36,257
February, 2019	30.45	27.55	257	35,867
March, 2019	33.45	26.45	3,309	38,673

m) Distribution of Shareholding as on 31st March, 2019:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	4388	93.84	5,77,821	11.82
501 to 1000	132	2.82	1,08,236	2.21
1001 to 2000	76	1.62	1,10,000	2.25
2001 to 3000	26	0.56	64,516	1.32
3001 to 4000	12	0.26	42,474	0.87
4001 to 5000	12	0.26	55,054	1.13
5001 to 10000	14	0.30	98,324	2.01
10001 & Above	16	0.34	38,31,875	78.39
Grand Total	4676	100.00	48,88,300	100.00

n) Category of Shareholders as on 31st March, 2019:

Category	No. of Shares held	% of Shareholding
Promoters	36,08,990	73.83
Financial Institutions/Banks	—	—
Bodies Corporate	10,969	0.22
NRIs, Clearing Members	25,243	0.52
Other Public	12,43,098	25.43
Grand Total	48,88,300	100.00

o) 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.

- p) Dematerialisation of shares and liquidity:
Company's Shares are traded compulsorily in dematerialised mode. As on date approx. 86 % of the Equity Shares of the Company are in dematerialised mode.
- q) 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.
- r) 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.
- s) 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
Compliance Officer : Ms. Sejal Kanbi
- t) CREDIT RATINGS:
The Company has not obtained any Credit Rating during the financial year and hence no disclosure is required with respect to Clause 9(q) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 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 2018-19 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. Key Financial Ratios:

Key Ratios	FY 2018-19	FY 2017-18	Change %	Explanation, if required
Debtors Turnover	5.18	4.38	(0.8)	-
Inventory Turnover	5.44	5.46	0.02	-
Interest Coverage Ratio	1.45	1.48	0.03	-
Current Ratio	1.36	1.38	0.02	-
Debt Equity Ratio	0.90	1.08	0.18	-
Operating Profit Margin (%)	29.42	28.86	(0.56)	-
Net Profit Margin (%)	0.90	1.31	0.41	-
Return on Networth	3.77	3.49	(0.28)	-

j. 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:

- 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.
- 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.
- 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.
- 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.
- The policy on related party transactions is disclosed on the Company's website viz. www.gujaratcraft.com.

f. Disclosure of Accounting Treatment:

Your Company has followed all relevant Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015.

- g. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement (QIP) during the financial year and hence no disclosure is required with respect to Clause 10(h) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h. A Certificate from M/s. Pinakin Shah & Co., Practicing Company Secretaries to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as **Annexure –C**.
- i. During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.
- j. The details of total fees for all services paid by the Company to **the statutory auditor of the Company** viz. M/s. Arpit Patel & Associates and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of fee	2018-19	2017-18
Audit Fees	Rs. 1.55 Lakh	Rs. 1.55 Lakh
Tax Audit Fees	Rs. 1.06 Lakh	Rs. 1.06 Lakh
Certification Fees	Rs. 0.04 Lakh	Rs. 0.41 Lakh

- k. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of complaints
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	Nil
3	Complaints pending as at the end of the financial year	Nil

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 2018–19 contain audit qualification which has been explained in the Directors' Report and Notes on Accounts.
- iii. The internal auditors report to the Audit Committee.

- 14.** The Company 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,

Anil Kumar Bhandari
Chairman

Place : Ahmedabad.
Date : 18th July, 2019

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 31st March, 2019.

For Gujarat Craft Industries Limited,

Place: Ahmedabad
Date: 18th July, 2019

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 31st March, 2019 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, clauses (b) to (i) of sub-regulation (2) of regulation 46, para C, D and E of Schedule V and Part E of Schedule II of LODR.

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 : 18th July, 2019

**KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821 COP-2052 : PR-583/2019**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Gujarat Craft Industries Limited
Plot No. 431, Village-Santej,
Santej-Vadsar Road,
Tal-Kalol,
Gandhinagar – 382 721

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Gujarat Craft Industries Limited** having CIN: L29199GJ1984PLC007130 and having registered office at Plot No. 431, Village-Santej, Santej-Vadsar Road, Tal-Kalol, Gandhinagar – 382 721 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Kashyap Rajendrabhai Mehta [#]	00005063	23-09-1999
2	Ashok Chhajer	00280185	01-10-2004
3	Anil Kumar Bhandari [#]	02718111	13-02-2012
4	Rishab Ashok Chhajer	05184646	13-02-2012
5	Swati Naman Pipara [§]	07144628	31-03-2015

[#]Appointed as Independent Directors of the Company for a period of 5 consecutive years w.e.f. 26th September, 2014

[§]Appointed as Independent Director of the Company for a period of 5 consecutive years w.e.f. 24th September, 2015

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For PINAKIN SHAH & CO.
COMPANY SECRETARIES
FRN: S2010GJ134100**

Place : Ahmedabad
Date : 18th July, 2019

**PINAKIN S. SHAH
PROPRIETOR
FCS-2562 : COP-2932 : PR-572/2018**

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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 **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 – Not applicable as the Company is not registered as Registrar to Issue and Share transfer agent during audit period
 - (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 subject to following observation:

The following are our observations during the Audit:

1. ***The Company has yet not taken special efforts to collect copy of PAN, and bank account details of all securities holders holding securities in physical form pursuant to Point 12 of para II of Annexure to the SEBI Circular No. SEBI/ HO/ MIRSD/ DOP1/ CIR/ P/ 2018/ 73 dated 20th April, 2018. However, the Company has placed note for the same in the Annual Report for the year 2017-18.***
2. ***There was no full time Company Secretary in the employment of the Company from 1st May, 2018 to 20th August, 2018 and from 27th March, 2019 till 9th May, 2019. However, the Company appointed a whole time Company Secretary pursuant to Section 203 of the Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 w.e.f. 10th May, 2019.***
3. ***Trade receivables amounting to Rs. 1028.40 lakh which are outstanding for a period exceeding one year as at the financial year end are considered good and fully recoverable by the management of the Company and thus no provision has been made with respect to these amounts. We are unable to comment on the recoverability of these amounts.***

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 duly passed Special Resolution at the Annual General Meeting held on 27th September, 2018 authorising the Board of Directors pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 to make investment or to acquire securities, to give loan(s) and/or to give any guarantee(s)/provide any security(ies) in connection with any loan taken by any other body corporate or person.

**For PINAKIN SHAH & CO.
COMPANY SECRETARIES
FRN: S2010GJ134100**

Place : Ahmedabad
Date : 18th July, 2019

**PINAKIN S. SHAH
PROPRIETOR
FCS-2562 : COP-2932 : PR-572/2018**

Note: This report is to be read with our letter of even date which is annexed as **Annexure I** 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 event setc.
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
FRN: S2010GJ134100**

Place : Ahmedabad
Date : 18th July, 2019

**PINAKIN S. SHAH
PROPRIETOR
FCS-2562 : COP-2932 : PR-572/2018**

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2019

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

I. REGISTRATION AND OTHER DETAILS:

(1)	CIN	L29199GJ1984PLC007130
(2)	Registration Date	31 st 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	17.12%
2	Manufacture of fabric	14102	12.61%
3	Manufacture of sacks & FIBC	22203	53.97%

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 st April, 2018				No. of Shares held as on 31 st March, 2019				% Change during 2018-19
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2996990	-	2996990	61.31	3007990	-	3007990	61.53	0.22
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)	3597990	-	3597990	73.60	3608990	-	3608990	73.82	-

B. Public Shareholding									
1. Institutions									
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9918	300	10218	0.21	10669	300	10969	0.22	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding <= ` 1,00,000	420398	609500	1029898	21.07	396246	594100	990346	20.26	(0.8)
ii) Individuals holding > ` 1,00,000	82774	130400	213174	4.36	121075	104400	225475	4.61	0.25
c) Others (specify)									
NRIs	3802	-	3802	0.08	17650	-	17650	0.36	0.28
HUF	24655	-	24655	0.50	27177	-	27177	0.56	0.06
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	8463	-	8463	0.17	7593	-	7593	0.16	(0.01)
Trusts	100	-	100	-	100	-	100	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	550110	740200	1290310	26.40	580510	698800	1279310	26.17	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	550110	740200	1290310	26.40	580510	698800	1279310	26.17	(0.22)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4148100	740200	4888300	100.00	4189500	698800	4888300	100.00	-

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2018			Shareholding as on 31-03-2019			% change in share holding during the year 2018-19
		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	-	1403000	28.70	-	0.22
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	-	-
	Total	3597990	73.60	-	3608990	73.83	-	-

iii) Change in Promoters' Shareholding:

Sr. No.	For Each of the Promoter and Promoter Group	Shareholding as on 1 st April, 2018		Changes during the Year 2018-19	Shareholding as on 31 st March, 2019	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Ashok Chhajer	1392000	28.48	11000	1403000	28.70

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 st April, 2018		Changes during the Year (decrease due to transfer)	Shareholding as on 31 st March, 2019	
		No. of shares	% of total shares		No. of shares	% of total shares
	Top 10 as on 1 st April, 2018					
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	Patel Lilaben Vasubhai	27847	0.57	5153	33000	0.68
5	Neelam Bala	11357	0.23	6591	17948	0.37
6	Dheeraj Kumar Lohia	17756	0.36	-	17756	0.36
7	Ketankumar T Doshi	15000	0.31	-	15000	0.31
8	Sunil Hashmukhlal Patel	10000	0.20	-	10000	0.20
9	Minakshi J Mehta	9000	0.18	-	9000	0.18
10	Neeru Sethi	8400	0.7	-	8400	0.17
11	Shreekant Phumbhra	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 st April, 2018		Changes during the Year No. of Shares	Shareholding as on 31 st March, 2019	
		No. of shares	% of total shares of the Company		No. of Shares	% of total Shares of the Company
1.	Ashok Chhajer	1392000	28.48	11000	1403000	28.70
2.	Rishab Chhajer	525000	10.74	-	525000	10.74

V. INDEBTEDNESS :

(Indebtedness of the Company including interest outstanding/accrued but not due for payment):
(Rs. in lakh)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 1 st April, 2018				
	i) Principal Amount	2366.20	1491.55	-	3857.75
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	23.18	-	-	23.18
	Total (i+ii+iii)	2389.38	1491.55		3880.93
B.	Change in Indebtedness during 2018-19				
	* Addition	-	-	-	-
	* Reduction	(266.77)	(268.26)		(535.03)
	Net Change	(266.77)	(268.26)		(535.03)
C.	Indebtedness as on 31 st March, 2019				
	i) Principal Amount	2115.19	1223.29	-	3338.48
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	7.42	-	-	-
	Total (i+ii+iii)	2122.61	1223.29	-	3345.90

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	₹ 26.40 lakhs	₹ 15.00 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 - as percentage of profit - others	-	-
5.	Others, Please specify	-	-
	Total (A)	₹ 26.40 lakhs	₹ 15.00 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 2018-19.

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. Disha Punjani [#] , Company Secretary
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 4.04 lakh	₹ 1.28 lakh
(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	₹ 4.04 lakh	₹ 1.28 lakh

[#]Appointed w.e.f. 21st August, 2018 and resigned w.e.f. 26th March, 2019

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 : 18th July, 2019.

Anil Kumar Bhandari
Chairman

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
GUJARAT CRAFT INDUSTRIES LIMITED

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

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, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified opinion section of our report*, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act"), in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As mentioned in note no. 39 of the financial statement, in respect of trade receivable more than one year amounting to ₹ 1028.40 Lakhs, we are unable to substantiate the management's assertion regarding recoverability of these receivables and therefore are unable to comment upon the carrying value of these receivables and recoverability of the aforesaid amounts and the consequential impact, if any on the accompanying financial statement.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the Key Audit Matter
Inventory Existence and Valuation	
<p>The Company recognised inventory of ₹ 2565.34 Lakhs at March 31, 2019. Inventory is held by Company's plants. We focused on this matter because of the:</p> <ul style="list-style-type: none"> - significance of the inventory balance to the profit and statement of financial position - complexity involved in determining valuation of Inventory. 	<p>Our audit procedure in this area included:</p> <ul style="list-style-type: none"> - Testing the Company's controls by checking approvals over reviewing selling price and cost forecasts, authorising and recording of costs. - Testing of the valuation of inventory as per applicable Indian Accounting Standard -2. - Testing a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold.

	<ul style="list-style-type: none"> - We attended inventory physical count at all locations. We performed following procedure at each locations: <ul style="list-style-type: none"> - selected a sample of inventory items and compared the quantities we counted with the quantities recorded, and for the differences found during physical verification, if any, we have verified that the same has been accounted. - Made enquiries regarding non-moving inventory items and inspected the conditions of items counted. <p>There were no significant exceptions noted from these procedures.</p>
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**” to this report;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 derivative 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
ICAI Firm Registration No. 144032W

Arpit Patel

Partner

Membership No.: 034032

Place : Ahmedabad
Date : May 30, 2019

Annexure A to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘*Report on Other Legal and Regulatory Requirements*’ section of our report to the members of GUJARAT CRAFT INDUSTRIES LIMITED of even date)

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the financial statements for the year ended March 31, 2019.

We report that :

- (i) (a) The Company has maintained proper records showing full particulars, include 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.

-
- (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 Act. 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 Act 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 & 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, goods and services tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 except income tax amounting to Rs. 22.36 Lakhs 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 & service 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, 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 Act.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order is 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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (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
ICAI Firm Registration No. 144032W

Place : Ahmedabad
Date : May 30, 2019

Arpit Patel
Partner
Membership No.: 034032

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of GUJARAT CRAFT INDUSTRIES LIMITED of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Basis of Qualified opinion

In our opinion, according to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2019:

The Company's internal financial controls over customer acceptance, credit evaluation and establishing customer credit limits for sales, were not operating effectively which could potentially result in the Company recognising revenue without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has in all material respects maintained adequate Internal Financial Controls over Financial Reporting as at March 31, 2019 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI and the Company's Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2019.

We have considered the material weakness identified and reported above in determining the nature timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended March 31, 2019 and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

Place : Ahmedabad
Date : May 30, 2019

Arpit Patel
Partner
Membership No.: 034032

BALANCE SHEET AS AT 31ST MARCH, 2019

		(` in Lakhs)	
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	3,699.53	3,744.13
(b) Capital work-in-progress		-	-
(c) Intangible assets		-	-
(d) Financial Assets			
(i) Investments	3	3.80	3.80
(ii) Other Financial Assets	4	0.52	39.81
(e) Non-current tax assets (Net)		-	-
(f) Other assets	5	12.28	24.50
Total Non-current assets		3,716.13	3,812.24
(2) Current assets			
(a) Inventories	6	2,565.34	2,390.24
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	7	2,693.57	2,981.16
(iii) Cash and cash equivalents	8	45.67	11.25
(iv) Bank Balances other than (iii) above	9	60.93	52.05
(v) Other Financial assets	10	805.27	1,117.56
(c) Other current assets	11	4.96	2.57
Total current assets		6,175.74	6,554.83
TOTAL ASSETS		9,891.87	10,367.07
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12	488.83	488.83
(b) Other equity	13	3,039.43	2,913.84
Total equity attributable to owners of the company		3,528.26	3,402.67
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,234.08	1,635.60
(b) Provisions	15	23.81	25.57
(c) Deferred tax liabilities (Net)	16C	551.48	555.20
Total non-current liabilities		1,809.37	2,216.37
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,923.90	2,053.79
(ii) Trade payables	18		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		2,048.35	2,117.86
(iii) Other financial liabilities	19	230.87	249.43
(b) Other current liabilities	20	296.12	278.67
(c) Provisions	21	5.30	5.23
(d) Liabilities for current tax (Net)	22	49.70	43.05
Total current liabilities		4,554.24	4,748.03
TOTAL EQUITY & LIABILITIES		9,891.87	10,367.07

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 : May 30, 2019

For and on behalf of the Board of Directors

Ashok Chhajer [Managing Director] [DIN: 00280185]	Kashyap Mehta [Director] [DIN:00005063]
Raichand Golchha [Chief financial officer]	CS Sejal Kanbi [Company Secretary]

Place : Ahmedabad
Date : May 30, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019
(` in Lakhs)

Particulars	Note No.	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
I REVENUE			
Revenue from operations	23	13,952.08	13,050.40
Other Income	24	11.14	14.42
Total Income (I)		<u>13,963.22</u>	<u>13,064.82</u>
II EXPENSES			
Cost of materials consumed	25	9,628.83	8,985.24
Purchases of Stock-in-Trade	26	410.08	380.77
Changes in inventories of finished goods, Stock-in-Trade and work in progress	27	(191.98)	(103.35)
Excise duty	28	-	29.33
Employee benefits expense	29	356.65	264.75
Finance costs	30	416.52	444.27
Depreciation and amortization expense	2	177.52	172.49
Other expenses	31	2,996.38	2,697.36
Total Expenses (II)		<u>13,794.00</u>	<u>12,870.86</u>
III Profit before exceptional items and tax (I-II)		169.22	193.96
IV Exceptional Items		-	-
V Profit before tax (III-IV)		169.22	193.96
VI Tax expense:			
(1) Current tax	16A	55.41	84.68
(2) Tax Of Earlier years		2.37	(0.50)
(3) Deferred tax	16C	(11.37)	(60.91)
Total tax expenses		<u>46.41</u>	<u>23.27</u>
VII Profit for the year		122.82	170.69
Other Comprehensive Income			
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:			
(a) Remeasurements of the defined benefit plans		3.85	0.99
Income Tax effect		(1.07)	(0.32)
		2.78	0.67
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods		-	-
VIII Total Other Comprehensive Income (i+ii)		<u>2.78</u>	<u>0.67</u>
IX Total Comprehensive Income for the year (VII+VIII)		<u>125.59</u>	<u>171.36</u>
Earning per share (Face Value of ` 10 each)			
- Basic & Diluted	36	2.51	3.49

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 : May 30, 2019

For and on behalf of the Board of Directors

Ashok Chhajer [Managing Director] [DIN: 00280185]	Kashyap Mehta [Director] [DIN:00005063]
Raichand Golchha [Chief financial officer]	CS Sejal Kanbi [Company Secretary]

Place : Ahmedabad
Date : May 30, 2019

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

(` in Lakhs)

Particulars	Attributable to the equity holders of the company					Total
	Equity share capital	Reserves & Surplus		Securities premium Account	Items of Other Comprehensive Income Revaluation reserve	
		Retained Net Surplus in Statement of Profit & Loss	Earnings General Reserve			
As at April 1, 2017	488.83	981.70	4.30	301.75	1,454.73	3,231.31
Add: Profit for the year	-	170.69	-	-	-	170.69
Add [Less]:						
Other Comprehensive income	-	0.67	-	-	-	0.67
Total Comprehensive Income	-	-	-	-	-	-
As at March 31, 2018	488.83	1,153.06	4.30	301.75	1,454.73	3,402.67
Add: Profit for the year	-	122.82	-	-	-	122.82
Add [Less]:						
Other Comprehensive income	-	2.78	-	-	-	2.78
Total Comprehensive Income	-	-	-	-	-	-
As at March 31, 2019	488.83	1,278.66	4.30	301.75	1,454.73	3,528.27

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 : May 30, 2019

For and on behalf of the Board of Directors

Ashok Chhajer
[Managing Director]
[DIN: 00280185]

Raichand Golchha
[Chief financial officer]

Place : Ahmedabad
 Date : May 30, 2019

Kashyap Mehta
[Director]
[DIN:00005063]
CS Sejal Kanbi
[Company Secretary]

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	(₹ in Lakh)	
	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax from continuing operations	169.22	193.96
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	177.52	172.51
Loss / (Profit) on sale of assets	9.31	(1.96)
Interest expense	416.52	444.27
Interest income	<u>(11.14)</u>	<u>(12.46)</u>
Operating profit before working capital changes	761.43	796.32
Movements in working capital		
Increase/(decrease) in trade payables	(69.50)	8.46
Increase/(decrease) in other current financial liabilities	(8.70)	(45.53)
Increase/(decrease) in other current liabilities	17.44	(81.40)
Increase/(decrease) in short term provision	0.07	0.57
Increase/(decrease) in Long term provision	2.09	3.30
Decrease/(increase) in trade receivables	287.59	266.95
Decrease/(increase) in inventories	(175.10)	(102.82)
Decrease/(increase) in other current assets	(2.39)	2.70
Decrease / (increase) in other non-current Financial assets	0.11	0.16
Decrease / (increase) in other non-current assets	12.22	4.00
Decrease / (increase) in other current financial asset	<u>317.71</u>	<u>(606.56)</u>
Cash generated from /(used in) operations	1,142.97	246.15
Direct taxes paid (net of refunds)	<u>(53.67)</u>	<u>(44.50)</u>
Net cash flow from/ (used in) operating activities (A)	<u>1,089.30</u>	<u>201.65</u>
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP	(143.00)	(74.74)
Sale proceed / capital subsidy of Fixed assets	0.90	20.63
Proceeds from margin money deposit (Net)	30.30	12.08
Interest received	5.72	21.42
Net cash flow from/(used in) investing activities (B)	<u>(106.08)</u>	<u>(20.61)</u>
Cash flows from financing activities		
Repayment of long-term borrowings	(395.68)	(249.26)
Proceeds from Short-term borrowings	(129.89)	445.97
Interest paid	(423.23)	(432.21)
Net cash flow from/(used in) in financing activities (C)	<u>(948.80)</u>	<u>(235.50)</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	34.42	(54.46)
Cash and cash equivalents at the beginning of the year	11.25	65.71
Cash and cash equivalents at the end of the year	45.67	11.25
Components of cash and cash equivalents		
Cash on hand	3.39	7.53
Balance with banks	42.28	3.72
Total cash and cash equivalents (note 8)	<u>45.67</u>	<u>11.25</u>

Summary of significant accounting policies

Note:

1. 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.
2. Changes in liabilities arising from Financial Activities

(` in Lakhs)

Particulars	As at 01.04.2018	Cash Flows	Non Cash Changes		As at 31.03.2019
			Fair Value Changes	Current/ Non Current classification	
Borrowings Non Current	1,635.60	(221.02)	-	(180.49)	1,234.08
Other financial liabilities	168.35	(168.35)	-	180.49	180.49
Borrowings Current	2,053.79	129.89	-	-	1,923.90

(` in Lakhs)

Particulars	As at 01.04.2017	Cash Flows	Non Cash Changes		As at 31.03.2018
			Fair Value Changes	Current/ Non Current classification	
Borrowings Non Current	1,795.40	8.54	-	(168.35)	1,635.60
Other financial liabilities	196.19	(196.19)	-	168.35	168.35
Borrowings Current	1,607.82	(445.97)	-	-	2,053.79

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 : May 30, 2019

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

Ashok Chhajer [Managing Director] [DIN: 00280185]	Kashyap Mehta [Director] [DIN:00005063]
Raichand Golchha [Chief financial officer]	CS Sejal Kanbi [Company Secretary]

Place : Ahmedabad
 Date : May 30, 2019

Notes to financial statements for the year ended 31st March 2019

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, Chennai Stock Exchange and Ahmedabad 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, 2015 (as amended).

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values.

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 as per the requirement of Schedule III, unless otherwise stated.

1.3 Application of New Accounting Pronouncements

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

- a. The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018 and it is detailed in note 1.7.
- b. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.
- c. The Company has adopted Appendix B to Ind AS 21, Foreign currency transactions and advance consideration with effect from 1st April 2018 prospectively to all assets, expenses and income initially recognized on or after 1st April 2018 and the impact on implementation of the Appendix is immaterial.

1.4 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.

1.5 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 1.15

Estimation of current tax expenses - refer note 1.8

1.6 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.

1.7 Revenue recognition

The company earns revenue primarily from sale of HDPE / PP woven fabrics, sacks, PE tarpaulin. Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services

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 control of the goods have passed to the buyer, usually on delivery of the goods. In determining the transaction price for the sale of goods, the company

considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). 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.

1.8 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 Profit & Loss, Other Comprehensive Income 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.

1.9 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 land which is carried at revalued amount.

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 net gain or loss on account of exchange rate differences either on settlement or on translation, of long term foreign currency monetary items recognised on or after 1st April, 2017, is recognised as income or expense in the Statement of Profit and Loss in the year in which they arise, except in case of foreign currency loans taken for funding of Property, Plant and Equipment, where such difference is adjusted to the cost of respective Property, Plant and Equipment. This is as per the exemption given under Ind AS 101 to defer/ capitalize exchange differences arising on long-term foreign currency monetary items.

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.

1.10 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.

1.11 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.

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.

1.12 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.

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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 uses 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.

1.17 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.

1.18 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.

1.19 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.

1.20 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.

1.21 Standard Issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

For the year 2018-19

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

	(₹ in Lakh)								
Gross Carrying Amount	Freehold Land	Building	Electrical Equipment	Plant and Equipment	Office Equipment	Office Equipment Computers	Furniture and Fixture	Vehicles	Total
As at 1st April 2017	1,825.00	596.62	41.59	1,467.53	14.25	2.92	3.76	81.08	4,032.75
Additions				71.84	0.49	1.52	0.90	-	74.75
Disposals			(26.46)					(6.80)	(33.26)
At 31st March, 2018	1,825.00	596.62	15.13	1,539.37	14.74	4.44	4.66	74.28	4,074.24
Additions	-	-	1.79	107.01	1.22	7.62	1.75	23.73	143.12
Disposals	-	-	-	(35.51)					(35.51)
At 31st March, 2019	1,825.00	596.62	16.92	1,610.87	15.96	12.06	6.41	98.01	4,181.85
Depreciation									
At 1st April, 2017	-	26.20	4.78	116.84	3.81	1.13	0.77	18.68	172.21
Depreciation charge for the year	-	26.18	4.98	119.81	3.50	1.03	0.46	16.53	172.49
Disposals	-	-	(8.14)	-	-	-	-	(6.45)	(14.59)
At 31 Mar 2018	-	52.38	1.62	236.65	7.31	2.16	1.23	28.76	330.11
Depreciation charge for the year	-	25.78	2.88	125.60	2.54	1.74	0.66	18.32	177.52
Disposals	-	-	-	(25.30)	-	-	-	-	(25.30)
At 31 Mar 2019	-	78.16	4.50	336.95	9.85	3.90	1.89	47.08	482.33
Net carrying value									
At 31st March, 2019	1,825.00	518.46	12.42	1,273.92	6.12	8.16	4.52	50.93	3,699.53
At 31st March, 2018	1,825.00	544.24	13.51	1,302.72	7.43	2.28	3.43	45.52	3,744.13

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(` in Lakhs)

	As at March 31, 2019	As at March 31, 2018
3 Non-current Investments		
Investment in equity instruments (Unquoted) (Valued at Fair value Through Profit or loss)		
Equity shares of Precision Cast Alloy Pvt. Ltd. 47,500 (PY 47,500) Share of ` 10 each fully paid up	3.80	3.80
Total	<u>3.80</u>	<u>3.80</u>
AGGREGATE AMOUNT OF QUOTED INVESTMENTS	-	-
AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	3.80	3.80
4 Other Non-current Financial Assets		
Security deposits	0.52	0.64
Margin Money Fixed Deposits with maturity of more than 12 months	-	39.17
Total	<u>0.52</u>	<u>39.81</u>
5 Other Non-current Assets		
Capital Advances	12.28	24.50
Total	<u>12.28</u>	<u>24.50</u>
6 Inventories		
(Refer Note No 1.12)		
Raw materials	300.35	311.07
Work-in-progress	1,194.34	1,249.00
Finished goods	987.00	761.43
Waste	39.89	18.82
Stores & spares	43.76	49.92
Total	<u>2,565.34</u>	<u>2,390.24</u>
7 Trade receivables		
Trade receivables		
Secured - Considered Good		
Unsecured - Considered Good	1,665.16	2,126.04
Trade Receivables which have significant increase in credit Risk	1,028.41	855.12
Trade Receivables -credit impaired	31.16	6.42
	<u>2,724.73</u>	<u>2,987.58</u>
Impairment Allowance (allowance for bad and doubtful debts)		
Secured - Considered Good	-	-
Unsecured - Considered Good	-	-
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables -credit impaired	31.16	6.42
Total Trade Receivable	<u>2,693.57</u>	<u>2,981.16</u>
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	6.42	5.00
Add: Allowance for the year	26.25	27.50
(Less): Actual Write off during the year(net of recovery)	1.51	26.08
Balance at the end of the year	<u>31.16</u>	<u>6.42</u>

		(₹ in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
8	Cash and Cash Equivalents		
	Cash on hand	3.39	7.53
	Balances with banks		
	(i) On current accounts	0.70	0.70
	(ii) Margin Money Fixed Deposits with maturity of less than 3 months	41.58	3.02
	Total	45.67	11.25
9	Balances with banks other than Cash and Cash Equivalents		
	Margin Money Fixed Deposits with maturity more than 3 months but less than or equal to 12 months	60.93	52.05
	Total	60.93	52.05
10	Other Current Financial Assets (Unsecured, considered good unless otherwise stated)		
	Security deposits	41.14	33.02
	Balances with Government Authorities	527.11	766.27
	Export Incentive Receivable	180.70	276.41
	Subsidy Receivable	9.54	24.62
	Loans to Employees	2.56	2.09
	Interest accrued on Fixed Deposits	7.21	1.79
	MTM Gain on Derivative	24.40	-
	Other assets (includes other receivables, etc.)	12.61	13.36
	Total	805.27	1,117.56
11	Other Current Assets		
	Deffered borrowing cost	-	0.07
	Prepaid expenses	4.96	2.50
	Total	4.96	2.57

(` in Lakhs)

As at March 31, 2019 As at March 31, 2018

12 Equity Share Capital

Authorised

50,00,000 (March 31, 2018: 50,00,000) Equity Shares of ` 10/- each 500.00 500.00

Issued, Subscribed and Fully Paid-up Equity Shares

48,88,300 (March 31, 2018: 48,88,300) Equity Shares of ` 10/- each 488.83 488.83

Total Issued, Subscribed and Fully Paid-up

Equity Share Capital 488.83 488.83

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

Equity Shares	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the period	48,88,300	488.83	48,88,300	488.83
Add: Issued shares during the year	-	-	-	-
Outstanding at the end of the period	48,88,300	488.83	48,88,300	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.

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	& holding in the class	No. of shares	& holding in the class
Ashok Chhajer	14,03,000	28.70%	13,92,000	28.48%
Rishab Chhajer	5,25,000	10.74%	5,25,000	10.74%
Sushma Chhajer	5,19,440	10.63%	5,19,440	10.63%
Ratanchand Ashokkumar HUF	4,15,800	8.51%	4,15,800	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)

	As at March 31, 2019	As at March 31, 2018
13 Other Equity		
General Reserve		
Balance as per the last financial statements	4.30	4.30
Add: Amount transferred from surplus balance in the statement of P&L	-	-
	4.30	4.30
Securities Premium Account		
Balance as per the last financial statements	301.75	301.75
Other Comprehensive Income		
Balance as per last financial statements		
Revaluation of Land (net of deferred tax of ₹ 347.42 lakhs)	1,454.73	1,454.73
Closing Balance	1,454.73	1,454.73
Surplus in the Statement of Profit & Loss		
Balance as per last financial statements	1,153.06	981.70
Profit for the year	122.81	170.69
OCI for the year	2.78	0.67
Closing Balance	1,278.65	1,153.06
Total Other Equity	3,039.43	2,913.84

14 Non-current Borrowings**Term Loan****From Bank - Secured**

Term Loan- Tuff scheme	173.96	359.76
Against hypothecation of vehicle	17.33	3.35

Other Loans

Loans from directors (unsecured)	319.86	296.36
Inter Corporate Loans (unsecured)	903.42	1,144.48
	1,414.57	1,803.95

The above amount includes

Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note No. 19)	180.49	168.35
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Total	1,234.08	1,635.60
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- a. Term loans from State Bank of India are taken during the financial year 2011-12 to 2013-14 and carries interest 11.05% 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)

B Repayment Schedule of Loans

	Sanctioned Terms Months	As at 31.03.2019 ` in Lakhs	As at 31.03.2018	Rate of Interest	No. of Installments outstanding	Installment Amount ` in Lakhs
Vehicle Loans	37	17.43	-	8.71%	30.00	0.64

Vehicle Loan obligations are secured by hypothecation of vehicles taken on lease.

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
15 Non-current Provisions		
(a) Provision for Employee Benefits		
Compensated Absences	5.20	5.28
Gratuity (Refer Note No. 38)	18.61	20.29
Total	23.81	25.57
16 Income tax		
A. Income tax recognised in Statement of Profit or Loss:		
Current Tax:		
Current tax	55.41	84.68
Tax in respect of earlier year	2.37	(0.50)
Total Current Tax	57.78	84.18
Deferred Tax:		
Deferred tax	(11.37)	(60.91)
MAT credit entitlement		
Total deferred tax	(11.37)	(60.91)
Total tax expense/(benefit)	46.41	23.27
Effective income tax rate	27.42%	12.00%
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	169.22	193.96
Enacted tax rate in India (Normal rate)	0.28	0.33
Expected income tax expense/ (benefit) at statutory tax rate	47.08	64.13
Expenses disallowed for tax purposes	2.52	1.75
Income exempt from tax	-	(0.65)
Difference due to change in statutory income tax rate	-	(40.61)
Tax pertaining to prior years	2.37	(0.50)
Other adjustments	(5.56)	(0.85)
Tax expense for the year	46.41	23.27

C Movement In Deferred Tax Assets And Liabilities

(` in Lakhs)

Movement during the year ended 31st March, 2019	As at 1st April, 2018	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at 31st March, 2019
Deferred Tax Asset/(Liabilities)					
Depreciation	226.09	1.08	-	-	225.01
Revaluation on Land	346.15	0.55	-	-	345.60
Others	1.96	1.96	-	-	-
Total	574.20	3.59	-	-	570.61
MAT Credit Entitlements (Net) Expenditure allowed in the year of payment	6.59	1.60	-	(8.19)	-
Others	11.03	(0.57)	-	-	10.46
Others	1.39	7.28	-	-	8.67
Total	555.20	11.89	-	(8.19)	551.48
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
Deferred Tax Asset/(Liabilities)					
Depreciation	264.46	38.37	-	-	226.09
Revaluation on Land	347.41	1.26	-	-	346.15
Others	23.14	21.51	(0.33)	-	1.96
Total	635.01	61.14	(0.33)	-	574.20
MAT Credit Entitlements (Net) Expenditure allowed in the year of payment	44.63	2.91	-	(40.95)	6.59
Others	11.01	0.03	-	-	11.03
Others	1.65	(0.26)	-	-	1.39
Total	577.72	63.82	(0.33)	(40.95)	555.20

The company expects to utilize the MAT credit within a period of 15 years.

(` in Lakhs)

	As at March 31, 2019	As at March 31, 2018
17 Current Borrowings		
From Bank - Secured		
Cash credit/ packing credit	1,923.90	2,003.09
Unsecured		
Inter Corporate Loans	-	50.70
Total	1,923.90	2,053.79

Working Capital, Suppliers Line of Credit from Banks in Foreign Currency and Short Term Loan are secured by 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 @ 12.60% p. a. (Also guaranteed by Managing Director)

		(` in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
18 Trade and other payables			
Total outstanding dues of Micro Enterprises & Small Enterprises (refer note No. 40)		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		<u>2,048.35</u>	<u>2,117.86</u>
Total		<u><u>2,048.35</u></u>	<u><u>2,117.86</u></u>
19 Other Financial Liabilities (Current)			
Current maturities of long-term borrowings (Secured) (Refer Note No. 14)		180.49	168.35
Statutory Liabilities		23.04	20.83
Interest accrued		7.52	23.18
Mark to Market liabilities on Derivatives		-	16.51
Other Liability		19.82	20.56
Total other financial liabilities		<u><u>230.87</u></u>	<u><u>249.43</u></u>
20 Other Current Liabilities			
Contract Liabilities (Advance from Customers)		291.86	274.64
Payables for capital goods		4.26	4.03
Total		<u><u>296.12</u></u>	<u><u>278.67</u></u>
21 Current Provisions			
Provision for Employee Benefits			
Compensated Absences		1.30	1.31
Gratuity (Refer Note No. 38)		4.00	3.92
Total		<u><u>5.30</u></u>	<u><u>5.23</u></u>
22 Liabilities for Current Tax (Net)			
Tax Balances: (Provisions Less Advance Tax)		49.70	43.05
Total		<u><u>49.70</u></u>	<u><u>43.05</u></u>

		(` in Lakhs)	
		For the year ended	
		As at March 31, 2019	As at March 31, 2018
23A Revenue from operations			
A Sale of Products			
i) Finished goods			
Export		8,203.53	8,650.30
Domestic		4,517.12	3,251.65
Sub Total (i)		<u>12,720.65</u>	<u>11,901.95</u>
(ii) Traded Goods			
Export		-	-
Domestic		431.52	400.29
Sub Total (ii)		<u>431.52</u>	<u>400.29</u>
Sub Total (i + ii)		<u><u>13,152.17</u></u>	<u><u>12,302.24</u></u>
B Other Operating Revenue			
Jobwork Income		13.91	29.71
Exports Incentive		572.30	586.04
Sale of Scrap		41.78	132.41
VAT Refund (Refer Note no 40)		171.92	-
Other Operating Revenue		<u>799.91</u>	<u>748.16</u>
Revenue from operations	Total (A+B)	<u><u>13,952.08</u></u>	<u><u>13,050.40</u></u>

	For the year ended	
	As at March 31, 2019	As at March 31, 2018
23B Revenue from contracts with customers (refer Note No 1.7)		
23.1 Disaggregated revenue informaton		
Set out below is the disaggregation of the Company's revenue from contracts with customers :		
Type of goods or Services		
Sales of		
Plastic Packing Materials	13,152.17	12,302.24
Other Operating income	799.91	748.16
Total revenue from contracts with customers	13,952.08	13,050.40
Sales of Products		
In India	5,748.54	4,400.10
Outside India	8,203.54	8,650.30
Total revenue from contracts with customers	13,952.08	13,050.40
Timing of revenue recognition		
Goods transferred at a point in time	13,952.08	13,050.40
Services transferred over time	-	-
Total revenue from contracts with customers	13,952.08	13,050.40
Segments :		
Segment reporting as defined in Indian Accouting Standard 108 is not applicable since entire operatins of the company relates to only one segment i.e plastic packing material.		
23.2 Contract Balances		
Trade receivables	2,693.57	2,981.16
Contract liabilities	291.86	274.64
Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days, usually backed up by financials arrangements. In March 2019, ` 26.25 Lakh (March 2018: ` 27.50 Lakh) was recognised as provision for expected credit losses on trade receivables.Contract liabilities include short-term advances received from customers against supply of Goods. The outstanding balances of these accounts decreased in 2018-19 due to continuous performance obligations satisfied.		
Set out below is the amount of revenue recognised from :-		
Amounts included in contract liabilities at the beginning of the year	274.64	357.72
Performance obligations satisfied in previous years	32.38	115.44
23.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Particulars		
Revenue as per contracted price	13,969.16	13,105.02
Adjustments :-		
Less: Shortage/Quality Claims	17.08	54.62
Revenue from contract with customers	13,952.08	13,050.40
23.4 Perfomance obligation		
Information about the Company's performance obligations are summarised below:		
Plastic Packing Material		
The performance obligation is satisfied upon delivery of the goods and payment is generally due within 0 to 180 days from delivery, usually backed up by financials arrangements.		
23.5 The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 are, as follows:		
Within one year	-	-
More than one year	241.96	241.96

	(₹ in Lakhs)	
	Year ended As at March 31, 2019	Year ended As at March 31, 2018
24 Other income		
Profit on Sale of Fixed Assets (Net)	-	1.96
Interest Income on:		
Bank deposits	11.14	9.37
Other financial income	-	3.09
	<u>11.14</u>	<u>14.42</u>
25 Cost of Materials Consumed		
Raw Materials		
Inventory at the beginning of the year	311.07	251.09
Add: Purchases	9,618.12	9,045.22
Less: Inventory at the end of the year	(300.36)	(311.07)
Total Cost of Raw Material Consumed	<u>9,628.83</u>	<u>8,985.24</u>
26 Purchase of traded goods		
Purchase of Stock-in trade	410.08	380.77
	<u>410.08</u>	<u>380.77</u>
27 Changes in inventories of finished goods, Stock-in -Trade and work-in- progress Inventories at the Closing of the year		
Work-in-Progress	1,194.34	1,249.00
Finished Goods	987.00	761.43
Waste	39.89	18.82
Sub Total (i)	<u>2,221.23</u>	<u>2,029.25</u>
Inventories at the Beginning of the year		
Work-in-Progress	1,249.00	1,121.64
Finished Goods	761.43	790.45
Waste	18.82	13.81
Sub Total (ii)	<u>2,029.25</u>	<u>1,925.90</u>
Sub Total (ii-i)	<u>(191.98)</u>	<u>(103.35)</u>
28 Excise duty on sale of goods		
Excise duty	-	29.33
	<u>-</u>	<u>29.33</u>
29 Employee Benefit Expenses		
Salaries, wages and bonus	333.67	245.26
Contribution to provident fund	7.29	8.40
Gratuity expense (refer note 38)	6.01	5.78
Leave Encashment Expense	1.53	2.07
Staff welfare expenses	8.15	3.24
Total	<u>356.65</u>	<u>264.75</u>

	(₹ in Lakhs)	
	Year ended As at March 31, 2019	Year ended As at March 31, 2018
30 Finance costs		
a. Interest Expenses		
Interest on Fixed Loans / Term Loan	15.57	10.98
Interest on Working Capital Loans	118.84	119.99
Interest on others	242.12	269.80
b. Other Borrowing costs		
Bank & other charges	39.99	43.50
	<u>416.52</u>	<u>444.27</u>
31 Other Expenses		
Consumption of stores and spares	193.54	231.13
Installation Expense	10.60	26.30
Labour & Process charges	1,153.40	838.27
Power and fuel	701.54	683.28
Factory Rent	51.61	43.29
Freight and forwarding charges	428.08	457.41
Insurance	20.44	22.52
Repairs and maintenance		
Plant and machinery	36.44	23.39
Buildings	6.63	4.61
Others	9.15	12.77
Bad debts/advances written off	1.50	0.13
Less: provided in earlier year	(1.50)	-
Provision for expected credit loss	26.25	27.50
Payment to Auditor		
Audit fee	1.55	1.55
Tax Audit Fee	1.06	1.06
Limited review & Certification	0.04	0.41
Loss on Sale of Property, Plant & Equipment (Net)	9.31	-
Foreign Exchange Fluctuation (Net)	1.19	57.17
Commission on sales	74.54	11.22
Legal & professional expenses	29.34	34.31
Travelling Expense	48.93	36.54
Miscellaneous expenses	192.74	184.51
	<u>2,996.38</u>	<u>2,697.36</u>

32 Contingencies and Commitments (Refer Note No. 1.14)

Estimated amount of contract remaining to be executed in Capital Account (net of advances) not provided for ₹ 7 Lacs (P.Y ₹ 25 Lakhs)

33 Fair Value Measurement

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 March 31, 2019			As at March 31, 2018				
	Fair value Through Profit or loss/ Other Comprehensive Income	Amortised Cost	Total Carrying Value	Total Fair Value	Fair value Through Profit or loss/ Other Comprehensive Income	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets								
Cash & Cash Equivalents (Refer note no 8)	-	45.67	45.67	45.67	-	11.25	11.25	11.25
Bank balances other than cash and cash Equivalents (Refer note no 9)	-	60.93	60.93	60.93	-	52.05	52.05	52.05
Investments (Refer note no 3)	3.80	-	3.80	3.80	3.80	-	3.80	3.80
Trade receivables (Refer note no 7)	2,693.57	-	2,693.57	2,693.57	2,981.16	-	2,981.16	2,981.16
Other Financial Assets (Refer note no 4 & 10)	805.79	-	805.79	805.79	1,157.37	-	1,157.37	1,157.37
Total	3,503.16	106.60	3,609.76	3,609.76	4,142.33	63.30	4,205.63	4,205.63
Financial Liabilities								
Borrowings (Refer note no 14 & 17)	-	3,157.98	3,157.98	3,157.98	-	3,689.39	3,689.39	3,689.39
Trade Payable (Refer note no 18)	-	2,048.35	2,048.35	2,048.35	-	2,117.86	2,117.86	2,117.86
Other Financial Liabilities (Refer note no 19)	-	230.87	230.87	230.87	-	249.43	249.43	249.43
Total	-	5,437.20	5,437.20	5,437.20	-	6,056.67	6,056.67	6,056.67

• **Fair value Hierarchy**

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

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: 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 March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investment (other than investment in subsidiaries, Joint Venture & Associates)	-	-	3.80	-	-	3.80
Total	-	-	3.80	-	-	3.80

Significant Unobservable Inputs Used In Level 3 Fair Values

As at 31st March, 2019	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 2019

(` in Lakhs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	1,924	1,234	-	3,158
Trade Payable	2,048	-	-	2,048
Other Financial Liabilities	231	-	-	231
Total Financial Liabilities	4,203.12	1,234	-	5,437
Exposure as at 31st March 2018				
Financial Liabilities				
Borrowings	2,054	1,636	-	3,689
Trade Payable	2,118	-	-	2,118
Other Financial Liabilities	249	-	-	249
Total Financial Liabilities	4,421	1,636	-	6,057

Financial Arrangements

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

Particulars	(` in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Expiring within one year (Bank overdraft and other facilities)	252.63	7.36
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

Particulars	(` in Lakhs)			
	As at 31 st March, 2019		As at 31 st March, 2018	
	Currency	Amount	Currency	Amount
Forward contract to sell USD	USD	18.25	USD	34.00
Forward contract to sell EURO	EURO	0	EURO	0

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

Currency exposure as at 31st March 2019

Particulars	(` in Lakhs)		
	USD	EURO	Other
Trade receivables	-	-	-
Trade Payable	2.33	-	-
Cash and Cash Equivalents	-	-	-

Currency exposure as at 31st March 2018

Particulars	(` in Lakhs)		
	USD	EURO	Other
Trade receivables	-	2.21	-
Cash and Cash Equivalents	0.00	0.00	-
Trade Payable	3.14	-	-

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

(` in Lakhs)

Particulars	For the year ended 31 st March, 2019		For the year ended 31 st March, 2018	
	5% increase	5% decrease	5% increase	5% decrease
USD	(8.06)	8.06	(10.20)	10.20
EURO	-	-	8.90	(8.90)
Increase/ decrease in profit & loss	(8.06)	8.06	(1.30)	1.30

(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

(` in Lakhs)

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
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, 2019	For the year ended 31st March, 2018
50 bp decrease would increase the profit before tax by	9.62	1.80
50 bp increase would decrease the profit before tax by	9.62	1.80

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, 2019	As at March 31, 2018
0-2 months	1,289.56	877.20
2-4 months	147.85	440.45
4-6 months	115.96	310.77
6-12 months	111.80	497.62
above 12 months	1,028.40	855.12
Total	2,693.57	2,981.16

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 2019	For the year year ended 31st March 2018
Net Profit as per Statement of Profit & Loss	122.81	170.69
No. of weighted average outstanding Equity Shares	48,88,300	48,88,300
Earning per Equity Share of ₹ 10/- each (Basic & Diluted)	2.51	3.49

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

SN	Name	Relationship	Manner
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	Raichand Golchha	Key Managerial Person	Executive Officer [Chief Financial Officer]
5	Disha Punjani	Key Managerial Person	Executive Officer [Company Secretary] (From 21st August 2018)
6	Anchal Bansal	Key Managerial Person	Executive Officer [Company Secretary] (upto April 30, 2018)
7	Typhoon financial service Limited	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
8	Worldwide impex Pvt. Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
9	APA Finance Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
10	Technomod Prop. P. Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
11	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	Non Executive Directors
(a) Managerial Remuneration					
Ashok Chhajer	26.40	26.40	-	-	-
P.Y.	19.80	19.80	-	-	-
Rishab Chhajer	15.00	15.00	-	-	-
P.Y.	15.39	15.39	-	-	-
Raichand Golchha	4.04	4.04	-	-	-
P.Y.	3.31	3.31	-	-	-
Disha Punjani	1.28	1.28	-	-	-
P.Y.	-	-	-	-	-
Anchal Bansal	0.23	0.23	-	-	-
P.Y.	2.80	2.80	-	-	-
(b) Legal and Professional fees					
Mr. Kashyap Mehta	2.00	2.00	-	-	-
P.Y.	2.05	2.05	-	-	-
(c) Interest expense					
Ashok Chhajer	20.40	20.40	-	-	-
P.Y.	0.21	0.21	-	-	-
Rishab Chhajer	1.03	1.03	-	-	-
P.Y.	-	-	-	-	-
Typhoon Financial Service Limited	11.79	-	-	11.79	-
P.Y.	4.73	-	-	4.73	-
Worldwide Impex Pvt. Ltd.	6.20	-	-	6.20	-
P.Y.	15.83	-	-	15.83	-
Loan Taken/(Given)					
Ashok Chhajer	40.25	40.25	-	-	-
P.Y.	61.53	61.53	-	-	-
Rishab Chhajer	-	-	-	-	-
P.Y.	14.97	14.97	-	-	-
Typhoon Financial Service Ltd.	276.84	-	-	276.84	-
P.Y.	171.80	-	-	171.80	-
Worldwide Impex Pvt. Ltd.	130.51	-	-	130.51	-
P.Y.	48.84	-	-	48.84	-
(i) Loan Repaid/ (Recovered)					
Ashok Chhajer	36.25	36.25	-	-	-
P.Y.	12.00	12.00	-	-	-
Rishab Chhajer	-	-	-	-	-
P.Y.	15.00	15.00	-	-	-
Typhoon Financial Service Ltd.	283.35	-	-	283.35	-
P.Y.	152.85	-	-	152.85	-
Worldwide Impex Pvt. Ltd.	121.30	-	-	121.30	-
P.Y.	156.12	-	-	156.12	-

(₹ in Lakhs)

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Directors
(d) Balance Outstanding as at 31st March 2019					
Ashok Chhajer	306.01	306.01	-	-	-
	P.Y. 283.65	283.65	-	-	-
Rishab Chhajer	13.85	13.85	-	-	-
	P.Y. 12.92	12.92	-	-	-
Typhoon Financial Service Limited	71.26	-	-	71.26	-
	P.Y. 67.16	-	-	67.16	-
Worldwide Impex Pvt. Ltd.	87.07	-	-	87.07	-
	P.Y. 72.27	-	-	72.27	-
Indian Agrotech Ltd.	19.03	-	-	19.03	-
	P.Y. 17.90	-	-	17.90	-
e) Bank Guarantee Given as on 31st March 2019					
Ashok Chhajer	150.29	150.29	-	-	-
	P.Y. 123.95	123.95	-	-	-

Compensation to Key Managerial Personnel of the Company:

(₹ in lakhs)

Nature of Benefits	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Short-term employee benefits	46.73	38.50
Post-employment gratuity benefits**	-	-
Total	46.73	38.50

Note:

* 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 109:

As per Actuarial Valuation as on 31st March, 2019 and 31st March, 2018 and recognised in the financial statements in respect of Employee Benefit Schemes:

A. Amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gratuity:		
Present value of plan liabilities	22.60	24.21
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	22.60	24.21
Unfunded plans	-	-
Net plan liability/ (Asset)*	22.60	24.21

B. Movements in plan assets and plan liabilities

(` in Lakhs)

Gratuity:	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
As at 1st April	-	24.21	24.21	-	21.71	21.71
Current service cost	-	4.14	4.14	-	4.18	4.18
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding actual return on plan assets	-	-	-	-	-	-
Actual return on plan asset	-	-	-	-	-	-
Interest cost	-	1.87	1.87	-	1.60	1.60
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial Assumptions	-	(0.06)	(0.06)	-	(0.75)	(0.75)
Actuarial (gain)/loss arising from experience adjustments	-	(3.79)	(3.79)	-	(0.24)	(0.24)
Employer contributions	-	-	-	-	-	-
Benefit payments	-	(3.77)	(3.77)	-	(2.29)	(2.29)
As at 31st March	-	22.60	22.60	-	24.21	24.21

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, 2019	As at 31st March, 2018
Active members	85	108

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

Gratuity	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current service cost	4.14	4.18
Finance cost/(income)	1.87	1.60
Asset/(Liabilities) recognised in Balance Sheet*		
Net impact on the Profit / (Loss) before tax	6.01	5.79
Remeasurement of the net defined benefit liability:		
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	(3.85)	(0.99)
Experience gains/(losses) arising on experience adjustments		
Benefit plan liabilities		
Net Gain recognised in the Other Comprehensive Income before tax	(3.85)	(0.99)

* 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 March 31, 2019	As at March 31, 2018
Gratuity:		
Unquoted		
Government Debt Instruments	-	-
Corporate Bonds	-	-
Insurer managed funds	-	-
Others	-	-
Total	-	-

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 March 31, 2019	As at March 31, 2018
Financial Assumptions		
Discount rate	7.76%	7.73%
Salary Escalation Rate #	6.00%	6.00%
Attrition Rate	2.00%	2.00%

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 March 31, 2019			As at March 31, 2018		
	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	(1.72)	2.02	100 bps	(1.99)	2.33
Salary Escalation Rate	100 bps	2.04	(1.77)	100 bps	2.35	(2.03)
Attrition Rate	100 bps	0.18	(0.22)	100 bps	0.22	(0.27)

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, 2019 as follows:

Gratuity :	(` in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
2020	4.00	3.92
2021	1.31	0.74
2022	1.01	1.57
2023	2.69	1.08
2024	1.01	1.21
Thereafter	7.89	6.74

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 ` 6.50 Lakh - [31st March, 18: ` 6.59/- Lakh] 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 ` 7.30/- Lakh. (PY: ` 8.40/-) Lakh.

39 Unsecured Trade receivables

- (a) includes ` 802.29 Lacs outstanding beyond one year, which are being pursued for recovery by the Company
- (b) includes ` 226.11 Lacs outstanding beyond one year, against which the Company has filed insolvency proceedings with National Company Law Tribunal (NCLT).

In the opinion of the Management, no allowance/ provision are required for above receivables and they are considered good and fully recoverable.

40 During the year, the Company received eligibility certificate for reimbursement of VAT from application made under Gujarat Textile Policy 2012. Accordingly, the Company had recognised the incentives as other operating income of ` 171.92 Lakh pertaining to earlier years during the year ended March 31, 2019.

- 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 31, 2019. 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 ` 507.96 Lakh (PY ` 383.94 Lakh).

42 Previous year figures have been regrouped/reclassified whenever necessary to correspond with current year's classification / disclosure.

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 : May 30, 2019

For and on behalf of the Board of Directors

Ashok Chhajer
[Managing Director]
[DIN: 00280185]

Raichand Golchha
[Chief financial officer]

Place : Ahmedabad
Date : May 30, 2019

Kashyap Mehta
[Director]
[DIN:00005063]

CS Sejal Kanbi
[Company Secretary]

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:

- Name:.....
 Address:.....
 Email Id: Signature: or failing him/her
- 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 35th Annual General Meeting of the Company, to be held on Friday, the 27th September, 2019 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
Ordinary Business			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2019, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Mr. Rishab Chhajer, liable to retire by rotation and being eligible, offers himself for re-appointment.		
Special Business			
3	Special Resolution for re-appointment of Mr. Kashyap R. Mehta as Independent Director of the Company for second term of 5 consecutive years.		
4	Special Resolution for re-appointment of Mr. Anil Kumar Bhandari as Independent Director of the Company for second term of 5 consecutive years.		

Signed this day of 2019

Signature of Shareholder

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

Affix Revenue Stamp here

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 35 th Annual General Meeting (AGM) of the Company to be held on Friday, 27 th September, 2019, 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
Ordinary Business				
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2019, the reports of the Board of Directors and Auditors thereon.			
2	Ordinary Resolution for re-appointment of Mr. Rishab Chhajer, liable to retire by rotation and being eligible, offers himself for re-appointment.			
Special Business				
3	Special Resolution for re-appointment of Mr. Kashyap R. Mehta as Independent Director of the Company for second term of 5 consecutive years.			
4	Special Resolution for re-appointment of Mr. Anil Kumar Bhandari as Independent Director of the Company for second term of 5 consecutive years.			

Place :

Date :

(Signature of the Shareholder/Proxy)

Note: This Form is to be used for exercising attendance/ voting at the time of 35th Annual General Meeting to be held on Friday, the 27th September, 2019 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.