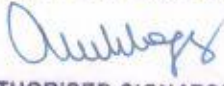





FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

(Format of covering letter of the annual audit report to be filed with the Stock Exchange/s)

1	Name of the company	Gujarat Craft Industries Limited
2	Annual financial statements for the year	31 st March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by-	
	Ashok Chhajer Managing Director	FOR, GUJARAT CRAFT INDUSTRIES LTD.  DIRECTOR/AUTHORISED SIGNATORY
	Raichand M. Golchha CFO	
	Anil Kumar Bhandari Audit Committee Chairman	
	Auditor of the Company	M/s. Kantilal Patel & Co., Chartered Accountants 



Date: 30th May, 2015

**31ST ANNUAL REPORT
2014-15**



GUJARAT CRAFT
INDUSTRIES LTD

[CIN : L29199GJ1984PLC007130]

GUJARAT CRAFT INDUSTRIES LIMITED

[CIN: L29199GJ1984PLC007130]

31ST ANNUAL REPORT 2014-15

BOARD OF DIRECTORS	: Mr. Ashok Chhajjer Mr. Rishab Chhajjer Mr. Kashyap R. Mehta Mr. Anilkumar Bhandari Ms. Swati S. Gupta	Managing Director Joint Managing Director Director Director Director
CHIEF FINANCIAL OFFICER	: Mr. Raichand M. Golcha	
AUDITORS	: M/s. Kantilal Patel & Co., (A member firm of Polaris International, USA) Chartered Accountants, Ahmedabad.	
COMPANY LAW CONSULTANT	: M/s. Kashyap R. Mehta & Associates, 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	
OFFICE	: 35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad - 380 009.	
REGISTRAR AND SHARE TRANSFER AGENTS	: M/s. Link Intime (India) Private Limited Unit No. 303, 3 rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers plaza II, Off. C. G. Road, Ahmedabad - 380 009	
WEBSITE	: www.gujaratcraft.com	

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NOTICE

NOTICE is hereby given that the **31ST ANNUAL GENERAL MEETING** of the Members of **GUJARAT CRAFT INDUSTRIES LIMITED** will be held as scheduled below:

Date : 24th September, 2015
Day : Thursday
Time : 12.00 Noon
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, 2015, 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.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, M/s. Kantilal Patel & Co., Chartered Accountants (Firm Registration No. 104744W), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this 31st Annual General Meeting (AGM) till the conclusion of the 33rd AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Swati S. Gupta (DIN – 07144628) an Independent Director of the Company, who was appointed as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013 and in accordance with the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 31st Annual General Meeting upto the conclusion of the 36th Annual General Meeting to be held in the calendar year 2020.”

Registered Office:
Plot No. 431,
Santej-Vadsar Road,
Village: Santej,
Taluka: Kalol-382 721,
Dist: Gandhinagar.
Date : 29th July, 2015

By Order of the Board,

Ashok Chhajer
Managing Director

NOTES:

1. The Explanatory Statement, pursuant to provisions of section 102 of the Companies Act, 2013 and rules made thereunder, in respect of the business under Item No. 4 of the Notice is annexed hereto.
2. 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.

3. 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.
4. The Register of Members and Share Transfer Books will remain closed **from 4th September, 2015 to 24th September, 2015** (both days inclusive) for the purpose of Annual General Meeting (AGM).
5. 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.
6. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
7. 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).
8. 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.
9. 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.
10. 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.
11. 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.

12. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2014-15 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.cdslindia.com, www.evotingindia.com
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. 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, Clause 35B of the Listing Agreement and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.
- (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. E-voting facility will not be made available at the AGM venue.
- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences at **9.00 a.m. on Monday, 21st September, 2015 and ends at 5:00 p.m. on Wednesday, 23rd September, 2015**. 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. 17th September, 2015**, 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 No. printed on Address Slip / email to the members pertaining to the Notice of this AGM.
DOB#	Enter the Date of Birth as recorded in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. If the details are not recorded with the Depository or Company, please enter the number of Shares held by you in the bank account column.

#Please enter the DOB or Dividend Bank Details in order to login.

(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) Now, select the Electronic Voting Sequence Number ("EVSN") of "GUJARAT CRAFT INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT".

(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) 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 three 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 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 31ST ANNUAL GENERAL MEETING DATED 29TH JULY, 2015.

In respect of Item No. 4 :

Pursuant to provisions of section 161(1) of the Companies Act, 2013 (hereinafter referred to as the Act) and pursuant to the Articles of Association of the Company, the Board of Directors of the Company appointed Ms. Swati S. Gupta as an Additional Director with effect from 31st March, 2015. Ms. Swati S. Gupta is an Independent Director on the Board of the Company.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Ms. Swati S. Gupta holds office only upto the date of this Annual General Meeting of the Company. A notice has been received from a member along with deposit of requisite amount under Section 160 of the Act proposing Ms. Swati S. Gupta as a candidate for the office of the Director of the Company.

Ms. Swati S. Gupta is not disqualified from being appointed as Director in terms of section 164 of the Act and has given her consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and she shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Ms. Swati S. Gupta that she meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Ms. Swati S. Gupta possesses appropriate skills, experience and knowledge in the field Accounts & Taxation. Brief resume of Ms. Swati S. Gupta, nature of her expertise in specific functional areas and names of the Companies in which she holds directorships and memberships / chairperson of the Board/ Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Ms. Swati S. Gupta fulfills the conditions specified in the Act and rules made thereunder for her appointment as an Independent Director of the Company.

Keeping in view of her experience and knowledge, the Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. Swati S. Gupta as an Independent Director.

Save and except Ms. Swati S. Gupta, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

Registered Office:
Plot No. 431,
Santej-Vadsar Road,
Village:Santej,
Taluka:Kalol-382 721,
Dist:Gandhinagar.
Date : 29th July, 2015

By Order of the Board,

Ashok Chhajer
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 31ST ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2014-15 ended on 31ST March, 2015.

1. FINANCIAL RESULTS:

(` in lacs)

Particulars	2014-15	2013-14
Operating Profit (Before Interest & Depreciation)	686.50	591.87
Less : Financial Expenses	359.26	281.45
Profit before Depreciation	327.24	310.42
Less : Depreciation	184.99	131.98
Profit before tax	142.25	178.44
Less : Provision for current Tax (after MAT credit)	29.33	36.69
(Add): MAT Credit	(27.39)	(22.26)
Less: Tax of earlier Year	1.21	-
Less : Deferred Tax Liability	55.46	47.05
Profit after tax	83.64	116.96
Add: Balance Brought Forward from Previous year	582.21	465.25
Less: Effect of change in accounting policy for Depreciation	(9.26)	-
Balance carried to Balance Sheet	656.59	582.21

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2015 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 Gross revenue from operations during the year under review was ` 9727 lacs as compared to ` 9707 lacs during 2013-14.

The Operating Profit (Before Interest and Depreciation) was ` 686.50 lacs during the year under review compared to ` 591.87 lacs during 2013-14 showing an increase of 16%. The Profit before Tax for the year under review was ` 142.25 lacs against ` 178.44 lacs during 2013-14. The Net Profit of the Company stood at Rs.83.64 lacs compared to ` 116.96 lacs for the year 2013-14.

The company has made export at FOB value of ` 3317.01 lacs during the year under review compared to ` 3843.71 lacs during 2013-14. 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 Export House.

5. FINANCE:

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

6. DIRECTORS:

6.1 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.

- 6.2 Ms. Swati S. Gupta (DIN: 07144628), being Independent Director, is being appointed for a term of 5 years as per provisions of the Companies Act, 2013.
- 6.3 Mr. Binod Chhajer ceased to be Director w.e.f. 31st March, 2015 upon resignation.
- 6.4 The Board of Directors duly met 8 times during the financial year under review.
- 6.5 The Board has made necessary evaluation of its own performance and that of its commitments and of individual Directors.
- 6.6 The performance evaluation of the Chairman, Executive and Non-Executive Directors was carried out by at the meeting of the Independent Directors held on 31st March, 2015.
- 6.7 **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 judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2015 being end of the financial year 2014-15 and of the profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. MANAGERIAL REMUNERATION:

7.1 REMUNERATION OF DIRECTORS:

Sr. No.	Name of the Director & Designation	Remuneration for the year 2014-15	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1.	Mr. Ashok Chhajer, Managing Director	13,20,000/-	-	-	1,01,454	13.01	N.A.
2.	Mr. Rishab Chhajer, Jt. Managing Director	6,60,000/-	-	-	1,01,454	6.51	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. The Relationship of remuneration to performance is clear and meets appropriate performance benchmarks. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

7.2 MARKET CAPITALISATION:

Sr. No.	Particulars	As on 31-03-2015	As on 31-03-2014
1.	No. of Shares	48,88,300	41,08,300
2.	Market price	15.16	8.16
3.	Market Capitalisation (` In lacs)	741.07	335.24
4.	EPS	1.71	3.10
5.	P/E Ratio	8.86	2.63

8. KEY MANAGERIAL PERSONNEL:

8.1 % INCREASE IN REMUNERATION OF DIRECTORS & KMP

Sr. No.	Name of the Director & KMP	Designation	Percentage Increase (If any)
1.	Mr. Ashok Chhajer	Managing Director	-
2.	Mr. Rishab Chhajer	Jt. Managing Director	-
3.	Mr. Raichand Golchha#	CFO	-

Appointed during the year 2014-15.

8.2 COMPARISON BETWEEN REMUNERATION OF KMP & PERFORMANCE OF THE COMPANY:

As per the Remuneration Policy and based on the Recommendation of Nomination & Remuneration Committee the Relationship of remuneration to KMP & performance of Company is clear and meets appropriate performance benchmarks.

9. PERSONNEL AND H. R. D.:

9.1 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 one hundred. 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.

9.2 PARTICULARS OF EMPLOYEES:

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

10. PREFERENTIAL ALLOTMENT OF EQUITY SHARES:

As communicated in the Directors' Report for the year 2013-14, the Company, in the month of April, 2015, has allotted 7,80,000 Equity Shares (upon conversion of 7,80,000 Equity Warrants of ` 10/- each) of ` 10/- each at a premium of ` 17/- per share to Promoters & Promoters' group. There are no material variations between the projections and actual utilization of the funds raised through Preferential Allotment by the Company during the year 2014-15.

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

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

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

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

13. CORPORATE GOVERNANCE AND MDA:

As per Clause 49 of the Listing Agreement and the Companies Act, 2013, Report on Corporate Governance and Management Discussion and Analysis (MDA) form part of this Annual Report. A certificate regarding compliance with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement is also appended to the Annual Report as **Annexure - B**.

14. SECRETARIAL AUDIT REPORT:

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

15. EXTRACT OF ANNUAL RETURN:

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

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

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

17. DEMATERIALISATION OF EQUITY SHARES:

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

18. LISTING:

The Equity Shares of the Company are listed at BSE Limited, Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited. The Company is generally regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2015-16. SEBI vide its order dated 14th May, 2015, has granted exist to Madras Stock Exchange Limited (MSE) as a Stock Exchange and in view of the same MSE has been de-recognised as Regional Stock Exchange.

19. GENERAL:

19.1. AUDITORS:

The present Auditors of the Company M/s. Kantilal Patel & Co, Chartered Accounts, Ahmedabad will retire at the ensuing 31st Annual General Meeting and are eligible for reappointment. The Company has obtained from them the written Certificate to the effect that their reappointment as Auditors of the Company for period of 2 years commencing from the Financial Year 2015-16 to 2016-17, if made, will be in accordance with in the provisions of Section 139 and 141 of the Companies Act, 2013. The remarks of auditor and notes on accounts are self explanatory.

19.2 INSURANCE:

The Company's properties including Building, Plants, and Machineries, Stock, Stores etc. continued to be adequately insured against risks such as fire, riots, strikes etc.

19.3 DEPOSITS:

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

19.4 RISKS MANAGEMENT POLICY:

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

19.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Subsidiaries/ Associates Companies / JVs.

19.6 CODE OF CONDUCT:

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

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

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

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

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

19.9 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

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

20. ACKNOWLEDGMENT:

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

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

For and on behalf of the Board,

Place : Ahmedabad.
Date : 29th July, 2015.

Rishab Chhajer
Joint Managing Director

Ashok Chhajer
Managing Director

A. CONSERVATION OF ENERGY :

- a) Energy consumption measures taken, Additional Proposals and its impact.

The Company has installed Power factor panels so as to reduce overall power consumption.

- b) Total Energy consumption and Energy Consumption per unit of production as per Form A prescribed in the Rules is as under:

Disclosure of particulars with respect to Conservation of Energy:

	Current Year 2014-15	Previous Year 2013-14
A. Power and fuel Consumption		
1. Electricity		
a) Purchased		
Unit	6833527	6568590
Total amount (` in Lacs)	536.99	464.56
Rate/Unit `	7.86	7.07
b) Own generation		
Through Diesel Generator		
Unit	5350	5040
Total Amount (` in Lacs)	1.07	1.06
Rate/Unit `	19.97	21.03
c) Own generation		
Through Gas		
Unit	Nil	Nil
Total Amount (` in Lacs)	Nil	Nil
Rate/Unit `	Nil	Nil
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. LSHS (` in Lacs)	Nil	Nil
B. Consumption per Unit of Production of HDPE/Fabrics/Sacks (K.G.)	1.03	1.1469

B. TECHNOLOGY ABSORPTION :

- a) The Company has not carried any Research & Development activities during the year under Report.

- b) Activities relating to Exports, initiatives taken.

The Company exported material worth ` 4118.39 Lacs during the year under review. The visits of Directors/ officers to the prospective customers in the foreign countries are being planned to have face to face discussions and quick decision relating to exports.

- c) Total Foreign Exchange earned and used.

The Company has earned Foreign Exchange of ` 3317.01 Lacs during the year under review by way of export and has spent ` 13.35 lacs for commission and foreign travelling.

For and on behalf of the Board,

Place : Ahmedabad.
Date : 29th July, 2015.

Rishab Chhajer
Joint Managing Director

Ashok Chhajer
Managing Director

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 detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis a vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:**a) Composition and Category of Directors as on 31st March, 2015 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 2014-15	Attendance at the AGM held on 26-09-2014 Yes(Y)/No(N)
			Member	Chairman		
Ashok Chhajer Managing Director	Promoter-Executive	3	1	—	8	Y
Rishab Chhajer Joint Managing Director	Promoter-Executive	—	—	—	8	Y
Kashyap R. Mehta	Independent Non- executive	3	2	3	8	Y
Anilkumar Bhandari	Independent Non- executive	2	—	1	8	N
Swati S. Gupta*	Independent Non Executive	—	—	—	1	N.A.

* Appointed w.e.f 31st March, 2015

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

Name of Director	Mr. Rishab Chhajer	Ms. Swati S. Gupta
Date of Birth	14-10-1989	08-03-1989
Date of Appointment	13-02-2012	31-03-2015
Qualifications	Bachelors of Science	Chartered Accountant
Expertise in specific functional areas	Industrial Engineering and Business Administration	Accounts and Taxation
List of Public Limited Companies in which Directorships held	NIL	NIL
List of Private Limited Companies in which Directorships held	NIL	NIL
Chairman/Member of the Committees of the Board of Directors of our Company	Audit Committee, Stakeholders' Relationship Committee	Nomination & Remuneration Committee
Chairman/Member of the Committees of Directors of other Companies	NIL	NIL
Shareholding in the Company	525000	NIL

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial year 2014-15 were held on 28th April, 2014, 28th May, 2014, 29th July, 2014, 13th August, 2014, 14th November, 2014, 29th December, 2014, 13th February, 2015 and 31st March, 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	Attendance
Anilkumar Bhandari Chairman	All members are Non-executive. Chairman is Independent- Non Executive Director and majority are Independent Directors. All members are financially literate and one member has financial and accounting expert knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s), which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All the members were present at the meeting held on 28 th May, 2014, 13 th August, 2014, 14 th November, 2014 & 13 th February, 2015
Kashyap R. Mehta			
Rishab Chhajer			

The Board of Directors has laid down a policy on Vigil Mechanism for Directors and Employees to report their genuine concerns or grievances to the Company for Company's effective and smooth functioning. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

4. NOMINATION & REMUNERATION COMMITTEE:

Name of the Directors	Functions of the Committee	Attendance
Anilkumar Bhandari, Chairman	All members are Non executive and majority of the committee members are Independent. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	All members were present at the meeting held on 29 th July, 2014, 13 th February, 2015 and 31 st March, 2015.
Kashyap R. Mehta		
Ms. Swati S. Gupta		

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.

Details of remuneration paid:

1. The Company paid Managerial Remuneration of ` 19.80 lacs to Managing Director/ Joint Managing Director during the year 2014-15.
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises the following Directors as members as on the date of the Report:

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

The Company received 2 complaints during the year and one of them resolved to the satisfaction of the shareholder and another one is under review. The same shall be resolved soon. There was no valid request for transfer of shares pending as on 31st March, 2015.

Mr. Ashok Chhajer is the Compliance Officer for the above purpose.

6. TRAINING OF INDEPENDENT DIRECTORS:

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

7. INDEPENDENT DIRECTORS' MEETING:

A meeting of the Independent Directors of the Company was held on 31st March, 2015, in conformity with the provisions of the Schedule IV of the Companies Act, 2013 & the Listing Agreement.

8. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2011-2012	27-09-2012	12.00 Noon.	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar Special Resolution: 1. Alteration of Articles of Association for Issue Equity Warrants 2. Issue, offer and allot Equity Warrants on Preferential Basis under Section 81(1A) of the Companies Act, 1956.
2012-13	28-09-2013	12.00 noon	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar No Special Resolution was passed
2013-14	26-09-2014	12.00 noon	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar Special Resolution: 1. Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013 2. Creation of charge/mortgage under Section 180(1)(a) of the Companies Act, 2013 3. Re-appointment of Mr. Ashok Chhajer as Managing Director of the Company under Sections 188, 196, 197, 203 of the Companies Act, 2013

Pursuant to the relevant provisions of the Companies Act, 1956/ 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2014-15.

9. 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 established the Vigil Mechanism, by formulating Whistle Blower Policy (WBP), for Directors and Employees of the Company to report their genuine concerns or grievances to the Company. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.
- Code of Conduct:
The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

e) Prohibition of Insider Trading:

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

f) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and has not adopted any of the non mandatory requirements of the clause.

10. MEANS OF COMMUNICATIONS:

a) In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati).

The financial results and official news releases are displayed on Company's website www.gujaratcraft.com.

b) During the year ended on 31st March, 2015 no presentations were made to Institutional Investors or analyst or any other enterprise.

11. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure and Developments:

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

b. Opportunities and Threats:

The HDPE/PP Woven Sacks/Bags industry as a whole will be benefited by 40% relaxation of Jute Mandatory and Packaging Order which will be enable Food Corporation of India and other agencies to pack 40% of food grains in HDPE/PP Bags. HDPE/PP Bags sector is the biggest sector in India for packaging. The Company has successfully initiated its efforts for increasing exports and has set a target of exporting 50 % 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 2014-15 is described in the Directors' Report under the head 'Review of Operations'.

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

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

i. Cautionary Statement:

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

12. SHAREHOLDERS' INFORMATION:

a)	Registered Office	Plot No.431, Santej-Vadsar Road, Village: Santej, Taluka : Kalol-382 721, Dist : Gandhinagar.								
b)	Annual General Meeting	Day : Thursday Date : 24 th September, 2015 Time : 12.00 Noon. Venue : Plot No. 431, Santej - Vadsar Road, Village: Santej, Taluka : Kalol - 382 721, Dist : Gandhinagar.								
c)	Financial Calendar 1st Quarter Results Half-yearly Results 3rd Quarter Results Audited yearly Results	Mid - August, 2015. Mid - November, 2015. Mid - February, 2016. End - May, 2016.								
d)	Book Closure Dates	From : Friday, the 4 th September, 2015 To : Thursday, the 24 th September, 2015 (Both days inclusive).								
e)	Dividend Payment Date	Not applicable.								
f)	Listing of Shares on Stock Exchanges	1. BSE Limited , Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. 2. Ahmedabad Stock Exchange Limited , Kamdhenu Complex, 1 st Floor, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad - 380 015. 3. Madras Stock Exchange Limited (MSE) (De-recognised as a Stock Exchange by SEBI w.e.f. 14th May, 2015).								
g)	Stock Exchange Code	<table border="0"> <tr> <td><u>Stock Exchange</u></td> <td><u>Code</u></td> </tr> <tr> <td>BSE</td> <td>526965</td> </tr> <tr> <td>ASE</td> <td>20214</td> </tr> <tr> <td>MSE</td> <td>GUJCRAFT</td> </tr> </table>	<u>Stock Exchange</u>	<u>Code</u>	BSE	526965	ASE	20214	MSE	GUJCRAFT
<u>Stock Exchange</u>	<u>Code</u>									
BSE	526965									
ASE	20214									
MSE	GUJCRAFT									

h)	<p>Registrar and Share Transfer Agents (for both Physical and Demat Segment of Equity Shares) of the Company :</p> <p>Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:</p> <p>M/s. Link Intime (India) Private Limited, Unit No 303 , 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad – 380 009. Tele. No. :(079) 2646 5179 Fax No. :(079) 2646 5179 e-mail Address:ahmedabad@linkintime.co.in</p>
i)	<p>ISIN : INE372D01019</p>
j)	<p>Share Transfer System :</p> <p>The transfer of shares in physical form is processed and completed by M/s. Link Intime India Private Limited. Within a period of 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.</p>

k) Stock Price Data : The Shares of the Company for 2014-15 on BSE Limited are as follows.

Month	BSE Limited		
	High (₹)	Low (₹)	No. of Shares Traded
April, 2014	12.08	8.56	20,121
May, 2014	16.85	11.27	71,741
June, 2014	14.50	11.72	15,778
July, 2014	14.90	10.94	14,649
August, 2014	17.29	12.44	27,881
September, 2014	18.85	14.17	61,862
October, 2014	15.50	12.64	14,128
November, 2014	13.30	10.55	41,482
December, 2014	15.54	10.45	31,243
January, 2015	15.85	12.45	19,428
February, 2015	15.10	14.50	1,250
March, 2015	16.60	15.16	1,354

l) Distribution of Shareholding as on 31st March, 2015:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	4695	94.13	618601	12.65
501 to 1000	140	2.81	112224	2.30
1001 to 2000	67	1.34	97595	2.00
2001 to 3000	35	0.70	88766	1.82
3001 to 4000	9	0.18	32750	0.67
4001 to 5000	10	0.20	46543	0.95
5001 to 10000	13	0.26	89093	1.82
10001 & Above	19	0.38	3802728	77.79
Grand Total	4988	100.00	4888300	100.00

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Gujarat Craft Industries Limited,

We have examined the compliance of conditions of Corporate Governance by M/s Gujarat Craft Industries Limited ('the Company'), for the financial year ended on 31st March, 2015 and also up to the date of this report as stipulated in Clause 49 of the Listing Agreement of the said Company with BSE Limited, Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited.

We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2015 and also up to the date of this report and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

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. 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 Clause- 49 of the above mentioned Listing Agreement.

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

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

For KASHYAP R. MEHTA & ASSOCIATES
Company Secretaries

Place : Ahmedabad
Date : 29th July, 2015

KASHYAP R. MEHTA
Proprietor
FCS: 1821
COP No. 2052
FRN: S2011GJ16650

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

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

To,
The Members,
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 **M/s. 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, 2015** 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, 2015 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, 1992
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; 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. 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.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (on voluntary basis).
- (ii) The Listing Agreements entered into by the Company with ASE Limited, BSE Limited and MSE Limited 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 observations:

- *The Company does not have 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.*

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/ Board has:

- a. Allotted 7,80,000 Equity Shares of ` 10/- each at premium of ` 17/- per equity share on 28th April, 2014 upon conversion of 7,80,000 Equity Warrants which were issued upon compliance of necessary guidelines.
- b. Duly passed Special Resolution under Section 180(1)(c) at the 30th Annual General Meeting held on 26th September, 2014 and have complied with all the provisions of Companies Act, 2013 and rules made there under
- c. Duly passed Special Resolution under Section 180(1)(a) at the 30th Annual General Meeting held on 26th September, 2014 and have complied with all the provisions of Companies Act, 2013 and rules made there under
- d. Duly passed a Special Resolution pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under at the 30th Annual General Meeting held on 26th September, 2014 relating to re-appointment of Managing Director of the Company.

For PINAKIN SHAH & CO.
Company Secretaries

Place : Ahmedabad
Date : 29th July, 2015

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

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2015

[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	M/s. Link Intime (India) Private Limited, Unit No 303, 3rd floor Shoppers Plaza V, Opp Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad 380 009 Tel no : (079) 2646 5179 Fax : (079) 2646 5179 Email Address :ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1	Manufacture of tarpaulin	13925	39.95
2	Manufacture of fabric	14102	19.95
3	Manufacture of sacks	22203	40.10

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, 2014				No. of Shares held as on 31 st March, 2015				% Change during 2014-15
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2491990	11000	2502990	60.93	2996990	11000	3007990	61.53	0.60
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	326000	-	326000	7.94	601000	-	601000	12.29	4.35
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	2817990	11000	2828990	68.86	3597990	11000	3608990	73.83	4.97

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6986	300	7286	0.18	21277	300	21577	0.44	0.26
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding < = ` 1,00,000	331373	662100	993473	24.18	414154	645700	1059854	21.68	(2.50)
ii) Individuals holding > ` 1,00,000	157051	119400	276451	6.73	76928	119400	196328	4.02	(2.71)
c) Others (specify)									
NRIs	2100	-	2100	0.05	1551	-	1551	0.03	(0.02)
OCB	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	497510	781800	1279310	31.14	513910	765400	1279310	26.17	(4.97)
Total Public Shareholding (B)=(B)(1)+(B)(2)	497510	781800	1279310	31.14	513910	765400	1279310	26.17	(4.97)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3315500	792800	4108300	100.00	4111900	776300	4888200	100.00	N.A.

ii) Shareholding of Promoters:

SN	Shareholder's Name	Shareholding as on 01-04-2014			Share holding as on 31-03-2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashok Kumar Chhajer	1277000	31.08	-	1392000	28.48	-	(2.60)
2	Ratanchand Ashokkumar	375800	9.15	-	415800	8.51	-	(0.64)
3	Sushma Chhajer	379440	9.23	-	519440	10.63	-	1.40
4	Rishabh Chhajer	355000	8.64	-	525000	10.74	-	2.10
5	Shruti Chhajer	104750	2.55	-	144750	2.96	-	0.41
6	Ratanchand Chhajer & Sons HUF	11000	0.27	-	11000	0.23	-	(0.04)
7	Woodland Consultancy Services Pvt. Ltd.	71000	1.73	-	151000	3.09	-	1.36
8	Indian Agrotech Limited	60000	1.46	-	100000	2.05	-	0.59
9	APA Finance Limited	85000	2.07	-	150000	3.07	-	1.00
10	Typhoon Financial Services Limited	110000	2.68	-	200000	4.09	-	1.41
	Total	2828990	68.86	-	3608990	73.83	-	4.97

iii) Change in Promoters' Shareholding:

Sr. No.	For Each of the Promoter and Promoter Group	Shareholding as on 1 st April, 2014		Changes during the Year 2014-15 (increase due to allotment)	Shareholding as on 31 st March, 2015	
		No. of shares	% of total shares		No. of shares	% of total shares
	As on 1 st April, 2014					
1	Ashok Kumar Chhajer	1277000	31.08	115000	1392000	28.48
2	Ratanchand Ashokkumar	375800	9.15	40000	415800	8.51
3	Sushma Chhajer	379440	9.23	140000	519440	10.63
4	Rishabh Chhajer	355000	8.64	170000	525000	10.74
5	Shruti Chhajer	104750	2.55	40000	144750	2.96
6	Ratanchand Chhajer & Sons HUF	11000	0.27	-	11000	0.23
7	Woodland Consultancy Services Pvt. Ltd.	71000	1.73	80000	151000	3.09
8	Indian Agrotech Limited	60000	1.46	40000	100000	2.05
9	APA Finance Limited	85000	2.07	65000	150000	3.07
10	Typhoon Financial Services Limited	110000	2.68	90000	200000	4.09
	TOTAL	2828990	68.86	780000	3608990	73.83

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, 2014		Changes during the Year (decrease due to transfer)	Shareholding as on 31 st March, 2015	
		No. of shares	% of total shares		No. of shares	% of total shares
	As on 1 st April, 2014					
1	Madhukar Patil	60100	1.46	-	60100	1.23
2	Vijayaben Pravinchandra Parikh	47160	1.15	(34305)	12855	0.26
3	Pushpa Kishore Parikh	46481	1.13	(36581)	9900	0.20
4	Anoop Vazirani	44300	1.08	-	44300	0.91
5	Kishor P. Parikh	26383	0.54	(18383)	8000	0.16
6	Ketan T. Doshi	15000	0.37	-	15000	0.31
7	Pratik Kantilal Paleja	14115	0.34	(14115)	-	-
8	Kirti Vasantlal Shah	13120	0.32	-	13120	0.27
9	Sunil Hashmukhlal Patel	10000	0.24	-	10000	0.20
10	Minakshi J. Mehta	9000	0.22	-	9000	0.18

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, 2014		Changes during the Year No. of shares	Shareholding as on 31 st March, 2015	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Ashok Kumar Chhajer	1277000	31.08	115000	1392000	28.48
2.	Rishab Ashok Chhajer	355000	8.64	170000	525000	10.74
	Total	1632000	39.72	285000	1917000	39.22

V. INDEBTEDNESS

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 1 st April, 2014				
	i) Principal Amount	24,05,11,867	22,02,92,885	-	46,08,04,752
	ii) Interest due but not paid	12,68,291	7,01,227	-	19,69,518
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	24,17,80,158	22,09,94,112	-	46,27,74,270
B.	Change in Indebtedness during 2014-15				
	* Addition	1,68,93,82,120	9,42,22,022	-	1,78,36,04,202
	* Reduction	1,67,86,13,176	7,23,74,369	-	1,75,09,87,545
	Net Change	1,07,68,945	2,18,47,713	-	3,26,16,658
C.	Indebtedness as on 31 st March, 2015				
	i) Principal Amount	25,14,56,411	24,28,41,825	-	49,42,98,236
	ii) Interest due but not paid	10,92,692	-	-	10,92,692
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	25,25,49,103	24,28,41,825	-	49,53,90,928

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 R. Chhajjer	Mr. Rishab A. Chhajjer
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 13.20 lacs p.a.	₹ 6.60 lacs p.a.
(b)	Value of perquisites u/s 17(2)Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others, Please specify	-	-
	Total (A)	₹ 13.20 lacs p.a.	₹ 6.60 lacs p.a.
	Ceiling as per the Companies Act	₹ 84 lacs p.a.	₹ 84 lacs p.a.

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 2014-15.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. Raichand Golchha, Chief Finance Officer
1.	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 3,16,260 p.a.
(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	NIL
3.	Sweat Equity	NIL
4.	Commission	NIL
5.	Others, Please specify	NIL
	Total	₹ 3,16,260 p.a.

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.

Registered Office:

Plot No. 431,
Santej-Vadsar Road,
Village: Santej,
Taluka: Kalol-382 721,
Dist: Gandhinagar.
Date : 29th July, 2015.

For and on behalf of the Board,

Rishab Chhajer
Joint Managing Director

Ashok Chhajer
Managing Director

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Gujarat Craft Industries Limited,
Ahmedabad

Report on the Financial Statements

We have audited the accompanying financial statements of **Gujarat Craft Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company does not have any pending litigations which would impact its financial position.
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KANTILAL PATEL & CO.**
Chartered Accountants
Firm Registration No. 104744W

Place : Ahmedabad
Date : May 30, 2015

[Gopal S. Baldi]
Partner
Membership No.: 125930

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUJARAT CRAFT INDUSTRIES LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- i. [a] Fixed Assets register is under compilation.
 - [b] We are informed by the management that they have verified the fixed assets during the year. However, in absence of proper fixed assets register material discrepancies if any, could not be noticed between physical verification and book records. Hence, the fixed assets as appearing in books of account are carried in financial statements.
- ii. In respect of Inventories:
 - [a] As explained to us, the inventory have been physically verified during the year by the management. In respect of inventories lying with third parties, inventories have been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - [b] In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

- [c] The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on such physical verification of inventory as compared to the book records.
- iii. Accordingly to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, requirement of clauses (iii,a) and (iii,b) of paragraph 3 of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and with regard to the sale of goods and services. On the basis of our examination of the books of accounts and other records, we are of the opinion that there is no major weakness in the internal control system in respect of these areas.
- v. The Company has not accepted any deposits from the public.
- vi. As per the information and explanation given to us, the cost accounting records as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the company.
- vii. [a] The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues, outstanding statutory dues except for Income tax amounting to ` 1,290 ('000) as at 31st March, 2015 for a period of more than six months from the date they become payable.
- [b] The disputed statutory dues aggregating to ` 30,272 ('000) have not been deposited on account of matters pending before appropriate authorities are as under:

(` in '000)

Department	Amount	Forum where dispute is pending
Income Tax Act	30,272	Commissioner (A)

- [c] According to the information and explanations given to us, no such amounts which were required to be transferred to investor education and protection fund with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- viii. The Company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The company has not obtained any borrowings from financial institutions or by way of debentures.
- x. The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. The company has not obtained any term loans during the year.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **KANTILAL PATEL & CO.**
 Chartered Accountants
 Firm Registration No. 104744W

Place : Ahmedabad
 Date : May 30, 2015

[Gopal S. Baldi]
 Partner
 Membership No.: 125930

BALANCE SHEET AS AT 31ST MARCH, 2015

	Notes	₹ in ('000) 31 st March, 2015	` in ('000) 31 st March, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	48,883	41,083
Money received against warrant	4	-	21,060
Reserves and Surplus	5	96,264	75,566
		<u>145,147</u>	<u>137,709</u>
Non-current liabilities			
Long-term borrowings	6	318,449	279,770
Deferred tax liability (net)	7	23,702	18,600
Long-term provisions	8	1,387	723
		<u>343,538</u>	<u>299,093</u>
Current Liabilities			
Short-term borrowings	9	162,105	161,516
Trade payables	10	180,769	206,035
Other current liabilities	11	38,880	36,790
Short-term provisions	8	3,198	2,693
		<u>384,952</u>	<u>407,034</u>
TOTAL		<u>873,637</u>	<u>843,836</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	226,037	238,933
Capital work-in-progress		695	2,143
		<u>226,732</u>	<u>241,076</u>
Non-current investments	13	380	-
Long-term loans and advances	14	9,968	14,216
Other non-current assets	15	3,519	4,944
		<u>240,599</u>	<u>260,236</u>
Current assets			
Inventories	16	298,733	259,526
Trade receivables	17	276,084	263,479
Cash and bank balances	18	10,692	7,111
Short-term loans and advances	14	23,093	35,375
Other current assets	15	24,436	18,109
		<u>633,038</u>	<u>583,600</u>
Total		<u>873,637</u>	<u>843,836</u>

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Kantilal Patel & Co.
Chartered Accountants
Firm registration number: 104744W

Gopal S. Baldi
Partner
Membership no.: 125930

Place : Ahmedabad
Date : 30th May, 2015

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

Ashok Chhajer Managing Director

Rishab Chhajer Joint Managing Director

Raichand Golchha Chief Financial Officer

Place : Ahmedabad
Date : 30th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Notes	₹ in ('000) 31 st March, 2015	` in ('000) 31 st March, 2014
Income			
Revenue from operations (gross)	19	972,732	970,756
Less: excise duty		63,369	58,105
Revenue from operations (net)		909,363	912,651
Other Income	20	13,931	839
Total revenue (I)		923,294	913,490
Expenses			
Cost of raw materials	21	717,444	826,172
Trading purchase		13,845	-
(Increase)/ decrease in inventories of finished goods, work-in-progress	22	(38,673)	(116,906)
Employee benefits expense	23	15,054	10,928
Other expenses	24	146,975	134,108
Total (II)		854,645	854,302
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		68,649	59,188
Depreciation and amortization expense	12	18,499	13,199
Finance costs	25	35,926	28,145
Profit before tax		14,224	17,844
Tax expenses			
Current tax		2,932	3,669
Less: MAT Credit		(2,739)	(2,226)
Tax of earlier year		121	-
Deferred tax		5,546	4,705
Total tax expenses		5,860	6,148
Profit for the year		8,364	11,696
Earnings per equity share			
[nominal value of share ₹ 10 (31st March 2014: ₹ 10)]			
Basic			
Computed on the basis of total profit for the year	26	1.71	3.10
Diluted			
Computed on the basis of total profit for the year		1.71	2.39
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Kantilal Patel & Co.
Chartered Accountants
 Firm registration number: 104744W

Gopal S. Baldi
 Partner
 Membership no.: 125930

Place : Ahmedabad
 Date : 30th May, 2015

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

Ashok Chhajer Managing Director

Rishab Chhajer Joint Managing Director

Raichand Golchha Chief Financial Officer

Place : Ahmedabad
 Date : 30th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in ('000)	` in ('000)
	31 st March, 2015	31 st March, 2014
Cash flow from operating activities		
Profit before tax from continuing operations	14,225	17,844
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	18,499	13,198
Provision For Employee Benefit	948	163
Loss on sale of assets	-	1,108
Bad debts / advances written off	325	190
Interest expense	35,926	28,145
Interest income	<u>(1,317)</u>	<u>(839)</u>
Operating profit before working capital changes	68,606	59,809
Movements in working capital :		
Increase in trade payables	(25,266)	91,181
Increase/(decrease) in other current liabilities	2,090	10,013
Decrease/(Increase) in trade receivables	(12,605)	(105,886)
Decrease/(increase) in inventories	(39,207)	(118,509)
Decrease / (increase) in long-term loans and advances	6,987	(7,275)
Decrease / (increase) in short-term loans and advances	12,282	(18,174)
Decrease/(increase) in other current assets	(6,327)	(4,728)
Decrease/(increase) in other non-current assets	<u>1,425</u>	<u>(3,234)</u>
Cash generated from /(used in) operations	7,985	(96,803)
Direct taxes paid (net of refunds)	<u>(3,158)</u>	<u>(3,494)</u>
Net cash flow from/ (used in) operating activities (A)	<u>4,827</u>	<u>(100,297)</u>
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP	(15,426)	(85,649)
Purchase of non-current investments	(380)	-
Sale proceed / capital subsidy of Fixed assets	9,900	2,030
Interest received	<u>1,317</u>	<u>839</u>
Net cash flow from/(used in) investing activities (B)	<u>(4,589)</u>	<u>(82,780)</u>
Cash flows from financing activities		
Proceeds from long-term borrowings	52,790	143,750
Repayment of long-term borrowings	(14,110)	(12,668)
Proceeds from short-term borrowings	589	74,477
Proceeds from issue of share capital and warrant	-	7,700
Interest paid	<u>(35,926)</u>	<u>(28,145)</u>
Net cash flow from/(used in) in financing activities (C)	<u>3,343</u>	<u>185,113</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	3,581	2,036
Cash and cash equivalents at the beginning of the year	<u>7,111</u>	<u>5,074</u>
Cash and cash equivalents at the end of the year	<u>10,692</u>	<u>7,111</u>
Components of cash and cash equivalents		
Cash on hand	1,009	705
Balance with banks	<u>9,683</u>	<u>6,406</u>
Total cash and cash equivalents (note 16)	<u>10,692</u>	<u>7,111</u>
Summary of significant accounting policies	2.1	

As per our report of even date

For Kantilal Patel & Co.**Chartered Accountants**

Firm registration number: 104744W

Gopal S. Baldi

Partner

Membership no.: 125930

Place : Ahmedabad

Date : 30th May, 2015

**For and on behalf of the Board of
Directors of Gujarat Craft Industries Limited****Ashok Chhajer** Managing Director**Rishab Chhajer** Joint Managing Director**Raichand Golchha** Chief Financial Officer

Place : Ahmedabad

Date : 30th May, 2015

Notes to financial statements for the year ended 31st March 2015

1. Corporate information

Gujarat Craft Industries Limited (the company) is a public 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, sheets, sacks, PE tarpaulin. The company caters to both domestic and international markets.

2. Basis of preparation

The financial statements of Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified U/S 133 of CA 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles. In applying the accounting policies considerations have been given to prudence, substance over form and materiality.

2.1 Summary of significant accounting policies

a. Use of estimates : The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets : Fixed Assets are stated at cost of acquisition and installation, net of cenvet, Vat less accumulated Depreciation. Borrowing costs incurred during the period of construction/Acquisitions of assets are added to the cost of Fixed Assets. Major expenses on modification/alterations increasing efficiency/capacity of the plant are also capitalized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. Depreciation on tangible fixed assets : Hitherto depreciation on fixed assets was provided on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956, (as amended). Consequent to the enactment of the Companies Act, 2013 (The Act) and its applicability for accounting periods commencing after 01/04/2014, the company reviewed its policy of providing depreciation with reference to the estimated economic lives of Fixed Assets as prescribed by Schedule II of the Act.

In case of any asset whose life is already exhausted, the carrying value as at 01/04/2014 of ` 1,371 (in '000) has been ascertained and the impact is recognized in general reserve (net of deferred tax). Had the Company followed the earlier depreciation policy, the depreciation charge for the year would have been higher by ` 1,523 (in '000) and profit before tax would have been lower by ` 1,523 (in '000).

d. Intangible assets : Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

- e. Borrowing costs** : Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

- f. Impairment of tangible and intangible assets** : The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An impairment loss is recognised in the accounts to the extent the carrying amount exceeds, the recoverable amount.

- g. Government grants and subsidies** : Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Such grants are deducted in reporting the related expense. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

- h. Investments** : Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

- i. Inventories** : 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.

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

Waste is valued at net realizable value.

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

- j. Revenue recognition** : Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods : Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the

goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

k. Foreign currency translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currency at the year end are translated at the exchange rates prevailing at the balance sheet date.

Premium or discount arising at the inception of the forward exchange contract is amortized as income or expense over the period of the contract. Any profit or loss arising in renewal or cancellation of forward exchange contracts are recognized as income or expenses during the year.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

Losses in respect of all outstanding derivative contracts at the balance sheet date is provided by marking them to market.

l. Employee benefits

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 recognized in the period in which the employee renders the related service.

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 scheme is recognized during the period in which the employees renders 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 recognizes 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.

Actuarial gains and losses are recognized immediately in the profit and loss account.

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

(iii) Long term employee benefits :

The obligation for long term employee benefits such as long term compensated absences, is recognized in the same manner as in case of defined benefit plans as mentioned in ii) above.

m. Income taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.

MAT credit is recognised as an assets only when there is convincing evidence that the company will pay normal income tax within the specified period. The assets are reviewed at each balance sheet date.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the number of equity shares outstanding during the period.

o. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

p. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

q. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	31 st March, 2015 ₹ in ('000)	31 st March, 2014 ₹ in ('000)
3. Share capital		
Authorized share capital		
50,00,000 (31 March 2014: 50,00,000) equity shares of ₹ 10/- each	50,000	50,000
Issued, subscribed and fully paid-up share capital		
48,88,300 (31 March 2014: 41,08,300) equity shares of ₹ 10/- each	48,883	41,083
Total issued, subscribed and fully paid-up share capital	48,883	41,083
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity shares	31st March 2015	31st March 2014
	Number	₹ in ('000)
	Number	₹ in ('000)
At the beginning of the period	4,108,300	41,083
Issued during the period	780,000	7,800
Outstanding at the end of the period	4,888,300	48,883
	4,108,300	41,083
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		
	31st March 2015	31st March 2014
	Number	% holding in the class
	Number	% holding in the class
Equity shares of ₹ 10 each fully paid		
Ashokkumar Chhajer	1,392,000	28.48%
Rishab Chhajer	525,000	10.74%
Sushma Chhajer	519,440	10.63%
Ratanchand Ashokkumar HUF	415,800	8.51%
	1,277,000	31.08%
	355,000	8.64%
	379,440	9.24%
	375,800	9.15%
	Number	31 March, 15
	₹ in (000)	₹ in (000)
4 Money Received Against Warrant		
Application Money at the beginning of the Year	780,000	21,060
Money received during the Year	-	-
converted (Equity Share of ₹ 10 at a premium @ ₹ 17)	(780,000)	(21,060)
Money remains against warrant	-	-
	1,345,000	28,615
	-	7,700
	(565,000)	(15,255)
	780,000	21,060
	31 st March, 2015 ₹ in ('000)	31 st March, 2014 ₹ in ('000)
5. Reserves and surplus		
General reserve		
Balance as per the last financial statements	430	430
Closing Balance	430	430
Security Premium Account		
Balance as per the last financial statements	16,915	7,310
Add: Premium on shares issued	13,260	9,605
Closing Balance	30,175	16,915
Surplus in the statement of profit and loss		
Balance as per last financial statements	58,221	46,525
Effect of change in accounting policy for depreciation (note 2.1-c)	(926)	-
Profit for the year	8,364	11,696
Net surplus in the statement of profit and loss	65,659	58,221
Total reserves and surplus	96,264	75,566

6. Long-term borrowings

	Non-current portion		Current maturities	
	31 st March, 15 ₹ in ('000)	31 st March, 14 in ('000)	31 st March, 15 ₹ in ('000)	31 st March, 14 in ('000)
Term loans				
Term Loan From State Bank of India (secured)	80,372	92,853	12,133	16,800
Loan from Finance Company (secured)				
Against hypothecation of vehicle	352	1,982	1,611	2,719
Other loans				
Loans from director (unsecured)	27,544	6,880	-	-
Inter Corporate Loans (unsecured)	210,181	178,055	-	-
	318,449	279,770	13,744	19,519
The above amount includes				
Secured borrowings	80,724	94,835	13,744	19,519
Unsecured borrowings	237,725	184,935	-	-
Amount disclosed under the head "other current liabilities" (note 11)	-	-	(13,744)	(19,519)
Net amount	318,449	279,770	-	-

Term loans from State Bank of India are taken during the financial year 2006-07 to 2013-14 and carries interest 14.00% to 14.15 % 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)

	31 st March, 2015 ₹ in ('000)	31 st March, 2014 in ('000)
7 Deferred tax Liability (net)		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	24,497	18,967
Gross deferred tax liability	24,497	18,967
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	795	367
Others	-	-
Gross deferred tax asset	795	367
Net deferred tax liability	23,702	18,600

8. Provisions

	Long-term		Short-term	
	31 st March, 15 ₹ in ('000)	31 st March, 14 in ('000)	31 st March, 15 ₹ in ('000)	31 st March, 14 in ('000)
Provision for employee benefits				
Provision for gratuity (note 27)	1,255	666	308	38
Provision for compensated absences	132	57	23	9
	1,387	723	331	47
Other provisions				
Provision for Income tax (net of advance tax)	-	-	2,867	2,646
	-	-	2,867	2,646
	1,387	723	3,198	2,693

	31 st March, 2015 ₹ in ('000)	31 st March, 2014 in ('000)
9. Short-term borrowings		
From Bank:		
Cash credit / packing credit / S.L.C. (secured)	156,988	126,158
Other loans		
Inter Corporate Loans (unsecured)	5,117	35,358
	162,105	161,516
The above amount includes		
Secured borrowings	156,988	126,158
Unsecured borrowings	5,117	35,358

Hypothecation of entire current assets of the company and hypothecation of existing Plant & Machineries, Electric installation, Building & Proposed machineries & Building. The cash credit is repayable on demand and carries interest @ 13.25% p.a. (Also guaranteed by Managing Director)

	31 st March, 2015 ₹ in ('000)	31 st March, 2014 in ('000)
10. Trade payables		
Trade payables including acceptances of ₹ 54,178 (PY ₹ 47,818) (note 35)	180,769	206,035
	180,769	206,035

	31 st March, 2015 ₹ in ('000)	31 st March, 2014 in ('000)
11. Other current liabilities		
Current maturities of long-term borrowings (Note:6)	13,744	19,518
Statutory liabilities	19,680	8,536
Advance received from customers	3,575	6,137
Interest accrued and due on borrowings	1,093	1,969
Payables on purchase of fixed assets	788	630
	38,880	36,790

12. Tangible assets

	₹ in ('000)								
	Land (Free Hold)	Factory Building	Plant and Machinery	Electrical Equipments	Office Equipments	Computers	Furniture & fixtures	Vehicles	Total
At 31st March 2014	2,285	78,252	198,585	7,370	3,098	714	588	11,632	302,524
Additions	-	554	15,467	31	488	91	186	58	16,875
Disposals	-	-	9,900	-	-	-	-	-	9,900
At 31st March 2015	2,285	78,806	204,152	7,401	3,586	805	774	11,690	309,499
Depreciation									
At 31 st March 2014	-	13,592	42,557	3,634	834	337	231	2,406	63,591
Charge for the year	-	2,819	12,196	588	840	285	114	1,657	18,499
Disposals	-	-	-	-	-	-	-	-	-
Other adjustment	-	221	336	28	771	15	1	-	1,372
At 31st March 2015	-	16,632	55,089	4,250	2,445	637	346	4,063	83,462
Impairment loss									
At 31 st March 2014	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-
At 31st March 2015	-	-	-	-	-	-	-	-	-
Net Block									
At 31st March 2015	2,285	62,174	149,063	3,151	1,141	168	428	7,627	226,037
At 31 st March 2014	2,285	64,660	156,028	3,736	2,264	377	357	9,226	238,933

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31ST March, 2015 31ST March, 2014
₹ in ('000) ` in ('000)

13. Non-current investments

In Equity Shares - Unquoted, fully paid up at cost Equity share of Precision Cast Alloy P. Ltd. 47,500 (PY Nil) share of ` 10 each	380	-
	<u>380</u>	<u>-</u>

14. Loans and advances

	<u>Long-term</u>		<u>Short-term</u>	
	31 ST March, 15	31 ST March, 14	31 ST March, 15	31 ST March, 14
	₹ in ('000)	` in ('000)	₹ in ('000)	` in ('000)
Capital advances				
Unsecured, considered good	1,619	9,034	-	-
(A)	1,619	9,034	-	-
Security deposit				
Unsecured, considered good	890	462	1,335	1,408
(B)	890	462	1,335	1,408
Advances recoverable in cash or kind				
Unsecured considered good	-	-	5,727	5,565
(C)	-	-	5,727	5,565
Other loans and advances				
MAT Credit entitlement	7,459	4,720	-	-
Prepaid expenses	-	-	200	241
Loans to employees	-	-	-	46
Balances with government authorities	-	-	15,831	28,115
(D)	7,459	4,720	16,031	28,402
Total (A+ B + C + D)	9,968	14,216	23,093	35,375

15. Other assets

	<u>Non-Current</u>		<u>Current</u>	
	31 ST March, 15	31 ST March, 14	31 ST March, 15	31 ST March, 14
	₹ in ('000)	` in ('000)	₹ in ('000)	` in ('000)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 18)	3,519	4,944	-	-
(A)	3,519	4,944	-	-
Export benefits receivable	-	-	13,137	15,333
Interest accrued on fixed deposits	-	-	1,080	616
Subsidy receivables	-	-	10,219	2,160
(B)	-	-	24,436	18,109
Total (A + B)	3,519	4,944	24,436	18,109

16. Inventories

	31 ST March, 2015	31 ST March, 2014
	₹ in ('000)	` in ('000)
Raw materials (includes in transit ` 10,516 in ('000) (31 March 2014: ` 3,031 in ('000) (note 21))	27,361	27,731
Work-in-progress (note 22)	103,373	159,991
Finished goods (note 22)	163,999	69,072
Waste	638	274
Stores and spares	3,362	2,458
	<u>298,733</u>	<u>259,526</u>

	31 st March, 2015 ₹ in ('000)	31 st March, 2014 in ('000)
17. Trade receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	81,660	77,904
Doubtful	-	-
(A)	81,660	77,904
Other receivables		
Unsecured, considered good	194,424	185,575
(B)	194,424	185,575
Total (A + B)	276,084	263,479

	Non-current		Current	
	31 st March, 15 ₹ in ('000)	31 st March, 14 in ('000)	31 st March, 15 ₹ in ('000)	31 st March, 14 in ('000)
18. Cash and bank balances				
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	496	213
On deposit accounts	-	-	9,187	6,193
Cash on hand	-	-	1,009	705
	-	-	10,692	7,111
Other bank balances				
Deposits with original maturity for more than 12 months (Margin Money Deposit)	3,519	4,945	-	-
	3,519	4,945	-	-
Amount disclosed under non-current assets (note 15)	(3,519)	(4,945)	-	-
	-	-	10,692	7,111

Deposits given as security

Fixed deposits with a carrying amount of ₹ 12,705 (31 March 2014: ₹ 11,138) are pledged with the Bank towards letter of credit and bank guarantee.

	2014-15 ₹ in ('000)	2013-14 in ('000)
19. Revenue from operations		
Revenue from operations		
Sale of products		
Finished goods	911,922	939,965
Trading goods	16,400	-
Other operating revenue		
Scrap sales	18,094	8,198
Installation charges	6,722	-
Job work Income	1,904	411
Export benefits	17,690	22,182
Revenue from operations (gross)	972,732	970,756
Less: Excise duty #	63,369	58,105
Revenue from operations (net)	909,363	912,651
# Excise duty on sales amounting to ₹ 63,369 in ('000) (31 March 2014: ₹ 58,105 in ('000)) has been reduced from sales in profit & loss account.		
Details of products sold		
Finished goods sold		
Fabrics	181,917	186,269
Sacks	365,678	409,662
Tarpaulin	364,327	344,034
	911,922	939,965
Traded goods sold		
Granules	16,400	-
	16,400	-

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	2014-15 ₹ in ('000)	2013-14 in ('000)
20. Other income		
Interest income		
Bank deposits	1,066	772
Others	251	67
Exchange rate differences (net)	<u>12,614</u>	<u>-</u>
	<u>13,931</u>	<u>839</u>
21. Cost of raw material consumed		
Inventory at the beginning of the year	24,700	19,855
Add: Purchases	<u>709,589</u>	<u>831,017</u>
	<u>734,289</u>	<u>850,872</u>
Less: inventory at the end of the year	<u>16,845</u>	<u>24,700</u>
Cost of raw materials consumed	<u>717,444</u>	<u>826,172</u>
Details of raw material consumed		
Fabric	5,541	29,204
Granules	604,907	667,674
Master batch and others	<u>106,996</u>	<u>129,294</u>
	<u>717,444</u>	<u>826,172</u>
Details of inventory		
Raw materials		
Granules	11,218	20,725
Master batch and others	<u>5,627</u>	<u>3,975</u>
	<u>16,845</u>	<u>24,700</u>
	<u>31st March 2015</u>	<u>31st March 2014</u>
	<u>₹ in ('000)</u>	<u>in ('000)</u>
22. (Increase)/ decrease in inventories of finished goods, work-in-progress		
Inventories at the end of the year		
Work-in-progress	103,373	159,991
Finished goods	163,999	69,072
Waste	638	274
	<u>268,010</u>	<u>229,337</u>
	<u>(38,673)</u>	<u>(38,673)</u>
Inventories at the beginning of the year		
Work-in-progress	159,991	79,288
Finished goods	69,072	32,835
Waste	274	308
	<u>229,337</u>	<u>112,431</u>
	<u>(38,673)</u>	<u>(116,906)</u>
	<u>31st March, 2015</u>	<u>31st March, 2014</u>
	<u>₹ in ('000)</u>	<u>in ('000)</u>
Details of inventory		
Work-in-progress		
Tape	20,026	20,560
Fabric	83,158	139,221
Others	189	210
	<u>103,373</u>	<u>159,991</u>
Finished goods		
Sacks	23,369	14,247
Tarpaulin	<u>140,630</u>	<u>54,825</u>
	<u>163,999</u>	<u>69,072</u>

	2014-15 ₹ in ('000)	2013-14 in ('000)
23. Employee benefits expense		
Salaries, wages and bonus	13,432	10,410
Contribution to provident fund	469	232
Gratuity expense (note 27)	859	152
Leave Encashment Expense	89	20
Staff welfare expenses	205	114
	<u>15,054</u>	<u>10,928</u>
24. Other expenses		
Consumption of stores and spares	14,516	10,912
Labour & Process charges	18,625	9,584
Increase/(decrease) of excise duty on inventory	10,624	3,986
Power and fuel	53,806	46,843
Freight and forwarding charges	28,128	41,279
Insurance	1,784	1,186
Repairs and maintenance		
Plant and machinery	1,230	934
Buildings	742	77
Others	518	365
Payment to auditor (Refer details below)	276	213
Loss on sale of assets	-	1,108
Exchange differences (net)	-	1,203
Bad debts/advances written off	325	190
Miscellaneous expenses	16,401	16,228
	<u>146,975</u>	<u>134,108</u>
Payment to auditor		
As auditor:		
Audit fee	140	120
Tax audit fee	96	80
Limited review & Certification	40	13
	<u>276</u>	<u>213</u>
25. Finance costs		
Interest cost:		
On Term Loan	2,816	4,611
On Cash Credit	16,062	8,424
To Others	14,660	11,766
Bank charges	2,388	3,344
	<u>35,926</u>	<u>28,145</u>
26. Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for calculation of basic and diluted EPS in ('000)	8,364	11,696
Weighted average number of Equity Shares in calculating basic EPS	4,888,300	3,778,717
Equity Shares in calculating Diluted EPS	4,888,300	4,888,300
Basic EPS in `	1.71	3.10
Diluted EPS in `	1.71	2.39

27 Gratuity and other post-employment benefit plans

- a. The company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 469 (in '000) [Year ended 31 March, 2014 ₹ 232 (in '000)] for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to this plan by the company is at rate specified in the rules of the schemes.
- b. The company operates two defined plans, viz., gratuity and leave encashment, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The plans are not funded by the company.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Gratuity	
	31st March, 2015 ₹ in (000)	31 st March, 2014 in (000)
Current service cost	176	170
Interest cost on benefit obligation	66	45
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	<u>617</u>	(63)
Net benefit expense	<u>859</u>	<u>152</u>
Balance sheet		
Benefit asset/liability		
Present value of defined benefit obligation	1,563	704
Fair value of plan assets	-	-
Present value of defined benefit obligation	<u>1,563</u>	<u>704</u>
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	704	552
Current service cost	176	170
Interest cost	66	45
Benefits paid	-	-
Actuarial (gains)/losses on obligation	<u>617</u>	(63)
Closing defined benefit obligation	<u>1,563</u>	<u>704</u>
The principal assumptions used in determining gratuity for the company's plans are shown below:		
Discount rate	8.00%	9.31%
Expected rate of return on assets	-	-
Salary Escalation Rate	6%	6%
Employee turnover	2 % p.a.	2 % p.a.

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

28 Capitalization of expenditure

During the year, the company has capitalized the following expense of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective note is net of amounts capitalized by the company.

	31st March, 2015 ₹ in (000)	31 st March, 2014 in (000)
Finance costs	-	7,481
	<u>-</u>	<u>7,481</u>

29. Segment information

Based on the guiding principle given in Accounting Standard-17 on Segment Reporting (issued by the Institute of Chartered Accountants of India), the Company's primary business is manufacturing of P.E.Tarpaulin, HD/PP Woven Sacks, Fabrics which have similar risks and returns. Accordingly there are no separate reportable segment as far as primary segment is concerned.

The operations of the Company are in India. All liabilities are located in India and assets are located in India & outside India. An analysis of sales by geographical market is given below.

<u>Name of the Country</u>	2014-15	2013-14
	₹ in (000)	₹ in (000)
Sales:		
India	600,137	558,916
Middle East	135,384	189,287
Africa	122,941	184,887
Europe	100,425	2,429
Others	13,845	35,236
	<u>972,732</u>	<u>970,755</u>
<u>Assets Located Outside India</u>		
Trade Receivables:		
Europe	6,004	-
Middle East	29,493	45,527
Africa	64,702	65,072
Others	3,040	9,198

30 Related party disclosures

Names of related parties and related party relationship

Key management personnel	Ashok Chhajjer Rishab Chhajjer Binod Chhajjer Kashyap Mehta
--------------------------	--

Relative of Key Management personnel Susma Chhajjer

Enterprises where Key management Personnel Has significant Influence

Typhoon Financial Serv. Ltd	Worldwide Impex Pvt. Ltd	APA Finance Ltd
Ethnic Appereal P. Ltd.	Technomod Prop. P. Ltd.	Woodlands Consultancy Services Pvt. Ltd.
Rishabh Business P. Ltd	Indian Agrotech Ltd.	

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Key managerial personnel Remuneration	2014-15	2013-14
	₹ in (000)	₹ in (000)
Mr. Ashok Chhajjer, Managing director		
Salary & Allowances	1,320	1,320
Director Sitting Fees	-	-
Mr. Rishab Chhajjer, Joint managing director		
Salary & Allowances	660	660
Director Sitting Fees	-	-
Total	<u>1,980</u>	<u>1,980</u>

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

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	2014-15	2013-14
	₹ in (000)	` in (000)
Receipt of Loans		
Mr. Ashok Chhajer, Managing Director	18,364	6,880
Mr. Rishab Chhajer, Joint Managing director	3,800	-
Payment of loans		
Mr. Rishab Chhajer, Joint Managing director	(1,500)	-
Outstanding Payable as at the year end		
Mr. Ashok Chhajer, Managing director	25,244	6,880
Mr. Rishab Chhajer, Joint Managing director	2,300	-
Other transactions		
Mr. kashyap Mehta, director		
Professional Fees	246	152

b. Transactions With Enterprises where Key management personnel has significant Influence

Name of the Party	31 March, 2015			31 March, 2014		
	Loan Taken	Loan Repaid	Outstanding Balance	Loan Taken	Loan Repaid	Outstanding Balance
Typhoon Financial Serv. Ltd.	245	2,174	38,220	1,965	605	40,149
Worldwide Impex Pvt. Ltd.	11,715	13,170	16,897	23,407	4,640	18,352
APA Finance Ltd.	100	-	2,151	640	100	2,051
Ethnic Appereal P. Ltd.	-	1,064	-	-	65	1,064
Technomod Prop. P. Ltd.	-	2,725	-	2,845	145	2,725
Woodlands Co. Ser. P. Ltd.	2,055	1,622	18,140	20,174	2,560	17,707
Rishabh Business P. Ltd.	-	576	-	-	60	576
Indian Agrotech Ltd.	-	-	3,740	4,560	820	3,740

31 Capital and other commitments

Estimated amount of contract remaining to be executed in Capital Account (net of advances) not provided for ` 1,481 in ('000) (P.Y. ` 1,000 ('000).

32 DERIVATIVE INSTRUMENTS:

Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2015 US \$ 897 ('000) Equivalent to ` 57,159 ('000) (P.Y. \$ NIL Equivalent to ` NIL)

33 Amount of expenditure incurred in research and development is ` Nil (P.Y. ` Nil).

34 The balances of trade receivables / payables are subject to confirmation. Adjustments including provisions / write-off, if any, required in accounts, will be made on reconciliation and / or settlement.

35 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 Based on the information available with the company there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31st, 2015. 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.

36 Contingent Liabilities and Commitments

	31 March 2015	31 March 2014
	` in (000)	` in (000)
Income Tax Liability for which the company has preferred an appeal before the CIT (A).	30,272	-
	30,272	-

37 Money received against share warrants

The Board of Directors of the company at their meeting held on 14th January, 2013 and as approved at its Extra Ordinary General Meeting held on 23rd February, 2013 have resolved to create, offer, issue

and allot up to 17,75,000 Equity Warrants, convertible into 17,75,000 Equity shares of ₹ 10/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 27/- per Equity Share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on 6th March, 2013 and 28th October, 2014 to the promoters and money was received from them.

The warrants have been converted into equivalent number of shares on payment of the balance amount before 5th September, 2014 (being 18 months from the date of Allotment of Equity Warrants).

	2014-15	2013-14		
	₹ in (000)	₹ in (000)		
38 Value of imports calculated on CIF basis				
Raw materials	34,165	41,617		
Components and spare parts	-	-		
	34,165	41,617		
39 Expenditure in foreign currency (accrual basis)				
Commission	333	99		
Travelling and conveyance	1,002	1,329		
	1,335	1,428		
40 Imported and indigenous raw materials and spare parts consumed				
	% of total	Value	% of total	Value
	consumption	₹ in (000)	consumption	₹ in (000)
	2014-15	2014-15	2013-14	2013-14
Raw Materials				
Imported	5.61	40,213	4.67	38,587
Indigenously obtained	94.39	677,231	95.33	787,585
	100.00	717,444	100.00	826,172
Spare parts				
Imported	-	-	-	-
Indigenously obtained	100.00	14,516	100.00	10,912
	100.00	14,516	100.00	10,912
41 Earnings in foreign currency (accrual basis)				
	2014-15	2013-14		
	₹ in (000)	₹ in (000)		
Exports at F.O.B. Value	331,701	384,372		
	331,701	384,372		
42	The figures for the previous year have been regrouped wherever necessary so as to make it comparable with those of the current year.			
43	Company is in process of recruiting company secretary as required under the provision of section 203 of The Companies Act, 2013. And as such the accounts are not signed by the company secretary.			

Signatures to Notes 1 to 43 to the Financial Statements

As per our report of even date
For Kantilal Patel & Co.
Chartered Accountants
 Firm registration number: 104744W
Gopal S. Baldi
 Partner
 Membership no.: 125930
 Place : Ahmedabad
 Date : 30th May, 2015

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

Ashok Chhajer Managing Director
Rishab Chhajer Joint Managing Director
Raichand Golchha Chief Financial Officer

Place : Ahmedabad
 Date : 30th May, 2015

GUJARAT CRAFT INDUSTRIES LIMITED

[CIN: L29199GJ1984PLC007130]

Registered Office:

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

FORM MGT-11

PROXY FORM

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

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

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

1. Name:.....

Address:.....

Email Id: Signature: or failing him

2. Name:.....

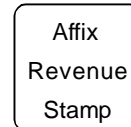
Address:.....

Email Id: Signature:

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 31st Annual General Meeting of the Company, to be held on Thursday, the 24th September, 2015 at 12.00 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
Ordinary Business	
1	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2015, the reports of the Board of Directors and Auditors thereon.
2	Re-Appointment of Mr. Rishab Chhajer, liable to retire by rotation and being eligible, offers himself for re-appointment
3	Appointment of Statutory Auditors of the Company
Special Business	
4	Appointment of Ms. Swati S. Gupta as an Independent Director of the Company.

Signed this day of 2015



Signature of Shareholder

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

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 31 st Annual General Meeting (AGM) of the Company to be held on Thursday, 24 th September, 2015, 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	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2015, the reports of the Board of Directors and Auditors thereon.			
2	Re-Appointment of Mr. Rishab Chhajer, liable to retire by rotation and being eligible, offers himself for re-appointment			
3	Appointment of Statutory Auditors of the Company			
Special Business				
4	Appointment of Ms. Swati S. Gupta as an Independent Director of the Company.			

Place :

Date :

(Signature of the Shareholder/Proxy)

Note: This Form is to be used for exercising attendance/ voting at the time of 31st Annual General Meeting to be held on Thursday, the 24th September, 2015 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.

Pratiksha Printers, A'bad. 98252 62512