



[CIN: L25111GJ1984PLC007130]

Head Office & Works

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E-mail: info@gujaratcraft.com | **Web:** www.gujaratcraft.com
An ISO-9001 Certified Company

24th August, 2023

BSE Limited

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

Company Code No. 526965

Dear Sir,

Sub: Submission of Notice of 39th Annual General Meeting and Annual Report 2022-23

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

1. Notice of 39th Annual General Meeting of the Shareholders/Members of the Company.
2. Annual Report 2022-23

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,

for GUJARAT CRAFT INDUSTRIES LIMITED

ASHOK CHHAJER
CHAIRMAN & MANAGING DIRECTOR
(DIN: 00280185)

Encl: As above.

39TH ANNUAL REPORT

2022-23



**GUJARAT CRAFT
INDUSTRIES LTD**

[CIN : L25111GJ1984PLC007130]

GUJARAT CRAFT INDUSTRIES LIMITED**[CIN: L25111GJ1984PLC007130]****39TH ANNUAL REPORT 2022-23**

BOARD OF DIRECTORS	:	Mr. Ashok Chhajer	Chairman & Managing Director
		Mr. Rishab Chhajer	Joint Managing Director
		Mr. Kashyap R. Mehta	Independent Director
		Ms. Swati Pipara	Independent Director
		Mr. Hitendra K. Chopra	Independent Director
MANAGEMENT TEAM	:	Ms. Sejal Kanbi	Company Secretary
	:	Ms. Jhanvi Jansari	Chief Finance Officer
STATUTORY AUDITORS	:	M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad	
SECRETARIAL AUDITOR	:	M/s. Nishant Pandya & Associates, Practising Company Secretaries Ahmedabad	
BANKERS	:	State Bank of India	
REGISTERED OFFICE & WORKS	:	Plot No.431, Santej-Vadsar Road, Village : Santej, Taluka : Kalol - 382 721, District : Gandhinagar	
CITY OFFICE	:	35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad - 380 009	
REGISTRAR AND SHARE TRANSFER AGENTS	:	Link Intime (India) Private Limited 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006	
WEBSITE	:	www.gujaratcraft.com	

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NOTICE

NOTICE is hereby given that the **39TH ANNUAL GENERAL MEETING** of the members/shareholders of **GUJARAT CRAFT INDUSTRIES LIMITED** will be held on **Saturday, the 16th September, 2023 at 1:00 p.m.** IST through Video Conferencing (“VC”) /Other Audio-Visual Means (“OAVM”) 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, 2023, the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend of Re. 1/- per Equity Share as recommended by the Board of Directors for the financial year ended on 31st March, 2023.
3. To appoint a Director in place of Mr. Rishab Chhajer (DIN – 05184646), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the re-appointment of Mr. Ashok Chhajer (DIN: 00280185) as Managing Director of the Company, liable to retire by rotation, for a period of 3 years with effect from 1st October, 2023 to 30th September, 2026 on the terms and conditions (which have been recommended by Nomination and Remuneration Committee) and that he be paid remuneration (even in the year of losses or inadequacy of profit) by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Explanatory Statement which is permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again.”

Registered Office:

Plot No. 431, Santej-Vadsar Road,
Village:Santej, Taluka:Kalol,
Dist:Gandhinagar-382 721.
Date : 21st July, 2023

By Order of the Board,

Sejal Kanbi
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice are annexed hereto.
2. The 39th Annual General Meeting (AGM) will be held on Saturday, the 16th September, 2023 at 1:00 p.m. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020 dated 5th May, 2020, MCA General Circular No. 02/2022, dated 5th May, 2022 and MCA General Circular No. 10/2022 dated 28th December, 2022 (hereinafter referred to as MCA Circulars) and in compliance with the provisions of the Companies Act, 2013 (“Act”) and SEBI Circular dated 12th May, 2020 and 5th January, 2023 (hereinafter referred to as SEBI Circulars) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 39th AGM shall be the Registered Office of the Company. **Annual Report will not be sent in physical form.**

3. Since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members / Shareholders has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members / Shareholders will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** Members / Shareholders have to attend and participate in the ensuing AGM through VC/OAVM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Members / Shareholders of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on email Id-info@gujaratcraft.com, a certified copy of the Board Resolution/authorization letter authorising their representative to attend and vote on their behalf at AGM through E-voting.
5. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members / Shareholders whose email addresses are registered with the Registrar & Share Transfer Agent of the Company/ Depositories. Members / Shareholders may note that the Notice and Annual Report will also be available on the Company's website www.gujaratcraft.com, website of stock exchange viz. BSE Limited at www.bseindia.com that of Central Depository Services (India) Limited (agency for providing remote e-voting facility) at www.evotingindia.com
6. Members / Shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Members / Shareholders can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC / OAVM are given in this Notice below.
9. As the Annual General Meeting (AGM) of the Company is held through Video Conferencing / OAVM, we therefore request the members / shareholders to submit questions in advance relating to the business specified in this Notice of AGM on the email ID at info@gujaratcraft.com
10. The Register of Members and Share Transfer Books will remain closed from **10th September, 2023 to 16th September, 2023** (both days inclusive) for the purpose of the above referred 39th Annual General Meeting and to determine Members / Shareholders eligible for payment of Final Dividend of Re. 1/- per Equity Share i.e. (10%) on the Equity Shares of Rs. 10/- each (face value) for the year ended 31st March, 2023, if declared at the said Annual General Meeting (AGM).
11. The Board has recommended a dividend of Re. 1/- per equity share of Rs. 10/- each, which, if declared by the members / shareholders at this Annual General Meeting (AGM), will be paid on or before the 30th day from the date of declaration, to those shareholders or their mandates to those shareholders whose names shall appear in the Company's Register of Shareholders / Members as on **Saturday, the 9th September, 2023** and in respect of shares held in the electronic form, to those 'Deemed Members' whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) at the closure of business hours on **Saturday, the 9th September, 2023**.
12. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend, if declared by the Shareholders. In order to enable the Company to determine the appropriate TDS rate as applicable, Shareholders / Members are requested to submit the documents in accordance with, the provisions of the Income Tax Act, 1961.
 - a) For Resident Shareholders, TDS shall be deducted under Section 194 of the Income Tax Act, 1961, at rate in force on the amount of Dividend declared and paid by the Company during

Financial Year 2023-24, provided Permanent Account Number (PAN) is registered by the Shareholder. If PAN is not registered or if they are specified person (non-filers) as per Section 206AB of the Income Tax Act, 1961, TDS would be deducted at a higher rate as per the provisions of the Income Tax Act, 1961 and/or the Rules framed thereunder. However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by such resident individual during the Financial Year 2023-24 does not exceed Rs. 5,000/-. Please note that this includes future dividends, if any, which may be declared by the Company during the Financial Year 2023-24.

Separately, in cases where a Shareholder provides Form 15G (applicable to any resident person other than a company or a firm) / Form 15H (applicable to a resident individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

- b) For Mutual Fund Shareholders, TDS is exempt under Section 10(23D), provided Mutual Funds provide SEBI Registration / Central Board of Direct Taxes (CBDT) notification and declaration that their income is exempt under Section 10 (23D) of the Income Tax Act, 1961.
- c) For Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the Income Tax Act, 1961, at applicable rate, including surcharge and cess.
- d) For Other Non-resident Shareholders, taxes are required to be withheld in accordance with, the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. However, as per Section 90 of the Income Tax Act, 1961, the Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the Shareholder, if they are more beneficial to them. For this purpose, i.e., to avail the Tax Treaty benefits, the Non Resident Shareholder will have to provide the following:
 - Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
 - Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
 - Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
 - Self-declaration, certifying the following points:
 - i. Shareholder / Member is and will continue to remain a tax resident of the country of its residence during the financial year 2023-24;
 - ii. Shareholder / Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Shareholder / Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - iv. Shareholder / Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
 - v. Shareholder / Member does not have a taxable presence or a permanent establishment in India during the Financial Year 2023-24.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / with holding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident Shareholder.

Kindly note that the aforementioned documents are required to be submitted by 11:59 p.m. (IST) on **Saturday, the 9th September, 2023** to the Company at info@gujaratcraft.com and to Link Intime India Private Limited at ahmedabad@linkintime.co.in / rnt.helpdesk@linkintime.co.in, in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction received post **Saturday, the 9th September, 2023**, will be considered for payment of Final Dividend. No claim shall lie against the Company for such taxes deducted. In case of any queries / difficulties, Shareholders may write to Link Intime India Private Limited at

ahmedabad@linkintime.co.in / rnt.helpdesk@linkintime.co.in. Shareholders are also requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from a Shareholder, there would still be an option available with such Shareholder to file the return of income and claim an appropriate refund, if eligible.

Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

13. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc., to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA). Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
14. Shareholders holding the shares in electronic mode may please note that their Dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) or at the available locations of Reserve Bank of India (RBI) or National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS). The Dividend would be credited to their Bank account as per the mandate given by the Shareholders to their Depository Participant(s). In the absence of availability of NECS / ECS / NEFT facility, the Dividend would be paid through demand drafts / dividend warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their demand drafts / dividend warrants as per the applicable regulations. For Shareholders who have not updated their Bank account details, dividend warrants / demand drafts will be sent to their registered addresses.
15. Shareholders holding shares in electronic form are hereby informed that Bank particulars registered against their respective Depository accounts will be used by the Company for payment of dividend. For the safety and interest of the Shareholders, it is important that Bank account details are correctly provided to the Depository Participants and registered against their demat account. Shareholders whose shareholding is in the electronic mode are requested to update the change of address details to their respective DPs.
16. Shareholders who hold shares in physical form and who have not provided the information regarding Bank particulars, are requested to immediately notify the name of the Bank and the branch, 9-digit MICR number, 11-digit IFS Code and the nature of account and other required information in Form ISR-1 along with the supporting document(s) to Link Intime India Private Limited at 5th Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006. The said Form ISR-1 is available on the Company's website and on the website of the Link Intime India Private Limited at <https://web.linkintime.co.in/KYC-downloads.html>.
17. Stock Broker(s), Custodian(s) or any other person(s) / entity(ies) holding Equity Shares of the Company as the Registered Owner(s), for and on behalf of the Beneficial Owner(s) of the Company on the cut-off date for payment of Final Dividend (if declared), i.e., on **Saturday, the 9th September, 2023**, is / are requested to provide the details of the Beneficial Owner(s) of the Equity Shares so as to reach the Company on or before **Saturday, the 9th September, 2023**, in the below format, to enable the Company to ensure / make suitable arrangements, to provide TDS credit to the actual beneficiary:

Sr. No	Particulars of the Registered Owner						Particulars of the Beneficial Owner			
	Name of the Registered Owner	DP-ID	Client ID / Folio-No.	No. of Equity Shares	Category – Individual / Firm / Trust / Company / FPI / NRI, etc.	PAN	Name of the Beneficial Owner	Address of the Beneficial Owner	Category – Individual / Firm / Trust / Company / FPI / NRI, etc.	PAN

18. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) are stated at the end of this Notes annexed hereto.

19. Compulsory Transfer of Equity Shares to Investor Education and Protection Fund (“IEPF”) Suspense Account:

Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Ministry of Corporate Affairs (www.mca.gov.in). In view of this, Members /Shareholders are requested to claim their dividends from the Company, within the stipulated timeline.

Unclaimed / Unpaid Dividend:

Shareholders who have not encashed the dividend for the previous year(s), are requested to make their claim with Link Intime India Private Limited (“RTA”), the Registrar and Share Transfer Agent of the Company at 5th Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier’s College Corner, Off C G Road, Ellisbridge, Ahmedabad – 380006.

20. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in dematerialized form are, therefore requested to submit their PAN to the Depository Participant(s) with whom they are maintaining their dematerialized accounts.

SEBI vide its Circular dated November 3, 2021 and December 14, 2021 had mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023. Further, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has extended the due date for submission of PAN, KYC details and nomination by holders of physical securities to **September 30, 2023**.

Shareholders holding shares in physical mode are requested to submit their PAN, KYC and nomination details to the Registrar and Share Transfer Agent of the Company, viz., Link Intime India Private Limited at 5th Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier’s College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006. The forms for updating the same are available at <https://web.linkintime.co.in/KYC-downloads.html>.

In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our Registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the Registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

21. The Shareholders can avail the facility of nomination in respect of shares held by them in physical form, pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Rules framed thereunder and the SEBI Circular dated 3rd November 2021. The Shareholders desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in, to Link Intime India Private Limited. If a Member desires to ‘Opt Out’ or ‘Cancel the nomination’ or ‘Change the nomination’, he/she may submit the same in Form ISR-3 or SH-14 as the case may be, the format of which is available on the Company’s website and on the website of the Link Intime India Private Limited at <https://web.linkintime.co.in/KYC-downloads.html>. The Shareholders holding shares in electronic form may contact their respective Depository Participants for availing this facility.

22. The members / Shareholders 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.

23. The Shareholders holding Shares in Physical form are advised to get their shares dematerialised as no physical shares can be traded in the Stock Exchanges in terms of SEBI and Stock Exchange guidelines.
24. This is to bring to the notice of the Shareholders that as per SEBI Notification, the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 1st April, 2019. Hence, Shareholders are advised to get their physical shares dematerialized.
25. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and Relevant documents referred to in this Notice of AGM in electronic mode can send an email to info@gujaratcraft.com.
26. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice below.
27. Members of the Company holding shares either in physical form or in Dematerialised forms as on Benpos date i.e. 4th August, 2023 will receive Annual Report for the financial year 2022-23 through electronic mode only.
28. Members are requested to notify any changes in their address to the Company's Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad – 380006 Email id: ahmedabad@linkintime.co.in.
29. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
30. 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.

Instructions for e-voting and joining the AGM are as follows:

1. As you are aware, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs read with MCA General Circular no. 20/2020 dated 5th May, 2020, MCA General Circular No. 02/2022 dated 5th May, 2022 and General Circular No. 10/2022 dated 28th December, 2022 (hereinafter referred to as MCA Circulars) and in compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI Circular dated 12th May, 2020 and 5th January, 2023 (hereinafter referred to as SEBI Circulars) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members / shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

4. The attendance of the Members / shareholders attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members / shareholders is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members / shareholders such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.gujaratcraft.com. The Notice can also be accessed from the websites of the Stock Exchange viz. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at www.evotingindia.com.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in Demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in Demat mode.

- (i) The voting period begins on begins on at **9.00 a.m. on 13th September, 2023 and ends at 5:00 p.m. on 15th September, 2023**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 9th September, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in Demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of members	Login Method
Individual members holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual members holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or

	e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual members (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com
- 2) Click on “Shareholders” module.
- 3) 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

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for GUJARAT CRAFT INDUSTRIES LIMITED on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is mandatory that, 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.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. info@gujaratcraft.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at info@gujaratcraft.com. These queries will be replied to by the company suitably by email.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the remote e-voting & e-voting process in a fair and transparent manner. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange viz. BSE Limited.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 39TH ANNUAL GENERAL MEETING DATED 21ST JULY, 2023.

In respect of Item No. 4:

'Shareholders may recall that in the 36th Annual General Meeting held on 21st September, 2020, Mr. Ashok Chhajer was reappointed as Managing Director of the Company for a period of three years from 1st October, 2020 to 30th September, 2023.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 21st July, 2023 have reappointed Mr. Ashok Chhajer as Managing Director for a period of three years i.e. from 1st October, 2023 to 30th September, 2026.

The major terms of the remuneration of Managing Director are as under:

I. PERIOD:

The term of the Managing Director shall be for a period of 3 years from 1st October, 2023 to 30th September, 2026.

II. REMUNERATION:

A. SALARY:

The Managing Director shall be entitled to monthly salary/remuneration of up to Rs. 10,00,000/-.

B. PERQUISITES:

1. House rent allowance @ 10 % of salary.
2. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or together are not taxable under the Income tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
4. Encashment of leave at the end of the tenure.
5. Reimbursement of Medical expenses for himself and family.
6. Free use of Company's car for Company's business and free telephone facility at residence.
7. Leave Travel Concession for himself and family once in a year as per rules of Company.

III. The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

IV. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

V. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Managing Director shall be at Santej or at such place as the Board of Directors may decided from time to time.

VI. TERMINATION:

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if a special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 30 days' notice to the Company.

VII. COMPENSATION:

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 202 of the Companies Act, 2013.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No	Category	Name of Interested Director / KMP	Financial Interest	Non- Financial Interest
1.	Director	Mr. Ashok Chhajer	Relates to his re-appointment as Managing Director, he may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	Mr. Rishab Chhajer	Relates to re-appointment of Mr. Ashok Chhajer as Managing Director, relative of these Directors and therefore, they may be deemed to be concerned or interested in the business	
3.	Relative of Director	-	-	
4.	Relative of Key Managerial Personnel	-	-	

The following are the information required under Section II of Part II of Schedule V of the Companies Act, 2013:

Sr. No	Particulars	Information
I	GENERAL INFORMATION	
1	Nature of industry	Manufacturer and exporter of PP/ HDPE coated woven products including Tarpaulin, Fabric and Sacks, FIBC Bags, etc
2	Date or expected date of commencement of commercial production	Existing
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4	Financial performance based on given indicators	Revenue from operation of Rs. 164.33 crores for the FY 2022-23
5	Exports performance and net foreign exchange collaborations	Rs. 58.42 Crores (FY 2022-23)
6	Foreign investments or collaborations, if any.	N.A.
II	INFORMATION ABOUT THE APPOINTEE	
1	Background details	Bachelors of Commerce
2	Past remuneration	Rs. 26.40 lakh (FY 2022-23)
3	Recognition or awards	-
4	Job profile and his suitability	More than 35 Years experience in the field of Plastic Industries
5	Remuneration proposed	Up to Rs. 10,00,000/- per month

	6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t the country of his origin.)	Remuneration is in commensurate with experience & qualifications. It is lower compared to industry standard formula.
	7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel , if any	Mr. Ashok Chhajer is the Managing Director of the Company.
III	OTHER INFORMATION		
	1	Reasons of loss or inadequate profits	High Market competition
	2	Steps taken or proposed to be taken for improvement	Rationalisation of existing product Range and Opening new Markets
	3	Expected increase in productivity and profits in measurable terms	Turnover expected to increase in future years
IV	DISCLOSURES		
	1	The shareholders of the Company shall be informed of the remunerations package of the managerial person	The shareholders have been informed in the Notice of 39 th Annual General Meeting.
	2	The following disclosure shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report:	Yes
	2(i)	All elements of remuneration package such as salary, benefit, bonuses, stock, stock options, pension, etc, of all the directors;	Mr. Rishab Chhajer, Jt. Managing Director is entitled to salary / remuneration upto Rs.6 lakh p.m. No other Director is entitled for any remuneration.
	2(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentives.
	2(iii)	Service contracts, notice period, severance fees;	30 days' Notice.
	2(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;	No stock options have been offered.

The Board recommends the Resolution for the approval of Shareholders as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Ashok Chhajer and Mr.

Rishab Chhajer is in any way concerned or interested, financially or otherwise in this resolution.

Registered Office:

Plot No. 431, Santej-Vadsar Road,
 Village:Santej, Taluka:Kalol,
 Dist:Gandhinagar-382 721.
 Date : 21st July, 2023

By Order of the Board,

Sejal Kanbi
Company Secretary

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

Name of Director with DIN	Ashok Chhajer (DIN: 00280185)	Rishab Chhajer (DIN: 05184646)
Age (in years)	64	33
Date of Birth	02-02-1959	14-10-1989
Date of Appointment	01-10-2020	13-02-2020
Qualifications	Commerce Graduate	Bachelors of Industrial Engineering
Experience/ Expertise	He has an enrich experience in the field of Management and Administration. He has more than 35 years experience in Plastic Industries.	He has an experience in Industrial Engineering and Business Administration. He has also experience in international sales, marketing and production management
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the resolution at item no. 4 of the Notice convening the 39 th AGM read with Explanatory Statement relating thereto	As per the resolution at item no. 3 of the Notice convening the 39 th AGM
Remuneration last drawn by such person, if any.	Rs.26.40 lakh in the FY 2022-23	Rs. 48 lakh in the FY 2022-23
Shareholding in the Company	14,03,000 Equity Shares	5,25,000 Equity Shares
Relationship with other Directors, Manager and other KMP of the Company	Mr. Rishab Chhajer and Mr. Ashok Chhajer are related to each other	Mr. Rishab Chhajer and Mr. Ashok Chhajer are related to each other
Number of Meetings of the Board attended during the year	07	07
List of Public Limited Companies in which Directorships held	1. Typhoon Financial Services Limited 2. Indian Agrotech Limited 3. APA Finance Limited	1. Indian Agrotech Limited - 2. APA Finance Limited
List of Private Limited Companies in which Directorships held	1. Castle Housing Development Private Limited 2. Technomod Properties Private Limited 3. Worldwide Impex Private Limited 4. Rishabh Business Private Limited 5. Bosco Chemtex Private Limited 6. Garima Properties Private Limited	1. Garima Properties Private Limited 2. Castle Housing Development Private Limited

Chairman/ Member of the Committees of Directors of other Companies	1. Typhoon Financial Services Limited - Member of Stakeholders' Grievances Committee	NIL
Listed entities from which resigned in the past three years	NIL	NIL
Justification for choosing the appointee for appointment as Independent Directors	N.A.	N.A.

Registered Office:

Plot No. 431, Santej-Vadsar Road,
 Village:Santej, Taluka:Kalol,
 Dist:Gandhinagar-382 721.
 Date : 21st July, 2023

By Order of the Board,

Sejal Kanbi
Company Secretary

DIRECTORS' REPORT

Dear Shareholders/Members,

Your Directors feel pleasure to present the 39TH ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2022-23 ended on 31st March, 2023.

1. FINANCIAL RESULTS:

(₹ in lakh)

Particulars	2022-23	2021-22
Operating Profit (Before Interest & Depreciation)	944.86	1490.39
Less : Financial Cost	266.28	244.00
Profit before Depreciation	678.58	1246.39
Less : Depreciation and amortization expense	219.35	220.74
Profit before Tax	459.23	1025.65
Less : Tax expenses	111.97	267.71
Profit after tax	347.26	757.94
Add: Other Comprehensive income	1.06	596.35
Total Income for the year	348.32	1354.29

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2023 and date of this report.

2. DIVIDEND:

The Board of Directors is pleased to recommend for your approval a final dividend of Re. 1/- per equity share on the face value of Rs.10/- each for the year ended 31st March, 2023 (previous year Re. 1/- per equity share). The total final dividend amounts to Rs. 48,88,300/-. You are requested to approve the same. The final dividend, if declared, shall be payable subject to deduction of tax at source, as applicable.

3. REVIEW OF OPERATIONS:

The revenue from operations during the year under review was Rs. 164.33 Crores as compared to Rs. 170.80 Crores during 2021-22.

The Operating Profit (Before Interest and Depreciation) was Rs. 944.86 Lakh during the year under review compared to Rs. 1490.39 Lakh during 2021-22. The Profit before Tax for the year under review was Rs. 459.23 Lakh against Rs. 1025.65 Lakh during 2021-22. The Net Profit of the Company stood at Rs. 347.26 Lakh compared to Rs. 757.94 Lakh for the year 2021-22.

The Company has made export at FOB value of Rs. 55.77 Crores during the year under review compared to Rs. 53.09 Crores during 2021-22. 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 Two Star Export House.

5. FINANCE:

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

6. LISTING:

The Equity Shares of the Company are listed on BSE Limited. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2023-24.

7. SHARE CAPITAL:

The paid-up Share Capital of the Company as on 31st March, 2023 was Rs. 488.83 Lakhs. As on 31st March, 2023, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

8. RESERVES:

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

9. DIRECTORS & KMP:

- 9.1 One of your Directors viz. Mr. Rishab Chhajer (DIN: 05184646) retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers himself for re-appointment.
- 9.2 The Board, based on the recommendations of the Nomination and Remuneration Committee and subject to approval of members/shareholders, had reappointed Mr. Ashok Chhajer (DIN: 00280185) as Managing Director w.e.f. 1st October, 2023 to hold the office upto 30th September, 2026.
- 9.3 During the financial year 2022-23, Mr. Ashok Chhajer, the Managing Director (DIN: 00280185) of the Company has elevated as Chairman and now his designation is Chairman and Managing Director of the Company.
- 9.4 Brief profile of the Directors being appointed /re-appointed as required under Regulation 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings are provided in the Notice for the forthcoming AGM of the Company.
- 9.5 The Shareholders in their 38th Annual General Meeting held on 21st September, 2022 has appointed Mr. Rishab Chhajer (DIN: 05184646) as Joint Managing Director for a period of 3 years with effect from 13th February, 2023.
- 9.6 The Shareholders in their 38th Annual General Meeting held on 21st September, 2022 has appointed Mr. Hitendra Kewalchand Chopra (DIN: 03372530) as Independent Director for a team of 5 years w.e.f. 18th July, 2022.
- 9.7 Mr. Anil Kumar Bhandari (DIN: 02718111) has resigned as Chairman and Independent Director of the Company w.e.f. 18th July, 2022.
- 9.8 The Board of Directors duly met 7 times during the financial year under review.
- 9.9 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act. The Independent Director shall enroll his / her name in the Databank, being maintained by Indian Institute of Corporate Affairs to qualify as an Independent Director. The enrollment of Independent Directors has been completed and they have furnished the declaration affirming their compliance to the Board with the provisions contained under sub rule 1 & 2 of Rule 6 of Companies (Appointment & Qualification of Directors) Rules.
- 9.10 In terms of provisions of Section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Amendment Rules, 2019 the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, Manesar ('IICA').
- 9.11 Formal Annual Evaluation:
The Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.
- 9.12 **DIRECTORS' RESPONSIBILITY STATEMENT:**
Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:
 - (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
 - (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2023 being end of the financial year 2022-23 and of the profit of the Company for the year;
 - (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (iv) that the Directors had prepared the annual accounts on a going concern basis.

(v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9.13 With respect to the loans advanced by the Directors to the Company, the Company has received necessary declarations from Directors that the said loan is not given out of funds acquired by them by borrowing or accepting loans or deposits from others.

10. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

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

11. MANAGERIAL REMUNERATION:

REMUNERATION OF DIRECTORS:

Sr. No.	Name of the Director & Designation	Remuneration for the year 2022-23	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1.	Mr. Ashok Chhajer, Managing Director	₹ 26,40,000.00	0%	-	₹ 2,73,980/-	9.64	N.A.
2.	Mr. Rishab Chhajer, Jt. Managing Director	₹ 48,00,000.00	0%	-	₹ 2,73,980/-	17.52	N.A.

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

The Nomination and Remuneration Policy are available on the Company's website- www.gujaratcraft.com.

12. KEY MANAGERIAL PERSONNEL:

% INCREASE IN REMUNERATION OF DIRECTORS & KMP:

Sr. No.	Name of the Director & KMP	Designation	Percentage Increase (If any)
1.	Mr. Ashok Chhajer	Managing Director	-
2.	Mr. Rishab Chhajer	Jt. Managing Director	-
3.	Ms. Jhanvi Jansari	CFO	26.37
4.	Ms. Sejal Kanbi	Company Secretary	-

13. PERSONNEL AND H. R. D.:

13.1 INDUSTRIAL RELATIONS:

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

The Number of permanent Employees of the Company are Eighty Three. 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.

13.2 PARTICULARS OF EMPLOYEES:

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

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

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

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

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

15. 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**.

16. CORPORATE GOVERNANCE AND MDA:

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

17. SECRETARIAL AUDIT REPORT:

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Nishant Pandya & Associates, Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure - D**.

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

18. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Board of Directors has constituted a Corporate Social Responsibility ("CSR") Committee in terms of the provisions of Section 135 of the Companies Act, 2013 consisting of three Directors viz. Mr. Ashok Chhajer, as Chairman of the Committee, Mr. Rishab Chhajer and Mr. Kashyap R. Mehta, as members of the Committee.

Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) in accordance with the provisions of Section 135 of Companies Act, 2013 and Schedule VII thereto indicating the activities which can be undertaken by the Company. This Policy has been approved by the Board. The CSR Policy is available on the Company's website at www.gujaratcraft.com.

Some of the core areas identified by the Committee are Education, Health, Environment, women empowerment, Animal Welfare, Hunger etc.

The company spent Rs. 0.11 lakhs towards CSR during the financial year 2022-23.

In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount of Rs. 12.00 lakhs as at the end of the previous financial year, to a special account within a period of thirty days from the end of the financial year in compliance with the provisions of sub-section (6) of Section 135 of the Act.

As per Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014 the Annual Report on CSR Activities has been attached herewith as **Annexure - E**.

19. WEB ADDRESS OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the draft Annual Return as on 31st March, 2023 is available on the website of the Company and can be accessed at www.gujaratcraft.com.

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

The details of various committees and their functions are part of Corporate Governance Report. The Board of Directors of the Company in their meeting held on 18th July, 2022 has re-constituted Audit Committee and also Nomination & Remuneration Committee of the Company.

21. 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.

22. INSIDER TRADING POLICY:

As required under the Insider Trading Policy Regulations of SEBI, your Directors have framed and approved Insider Trading Policy for the Company i.e. 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Regulating Monitoring and Reporting of Trading by Designated Persons/Insiders'. The Policy is available on the company's website.

23. GENERAL:**23.1. STATUTORY AUDITORS:**

At the 38th Annual General Meeting held on 21st September, 2022, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad was appointed as Statutory Auditors of the Company to hold office for the period of 5 years i.e. for the financial years 2022-23 to 2026-27.

The Auditors' Report for year 2023 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

23.2 INSURANCE:

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

23.3 FIXED DEPOSITS:

The Company has not accepted any fixed deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

23.4 RISKS MANAGEMENT POLICY:

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

23.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

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

23.6 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.

23.7 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.

23.8 ENVIRONMENT AND SAFETY:

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

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

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

23.10 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.

23.11 SECRETARIAL STANDARDS:

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

23.12 DETAILS OF PROCEEDINGS UNDER IBC & OTS, IF ANY:

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016. Further, there was no instance of one time settlement with any Bank or Financial Institution.

24. AGREEMENTS EFFECTING THE CONTROL OF THE COMPANY:

No agreements have been entered / executed by the parties as mentioned under clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 which, either directly or indirectly effect / impact the Management or Control of the Company or impose any restriction or create any liability upon the Company.

25. DISCLOSURE OF ACCOUNTING TREATMENT:

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

26. 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.

Registered Office
Plot No. 431, Santej Vadsar Road,
Village: Santej, Taluka: Kalol
Dist: Gandhinagar - 382721
Date : 21st July, 2023

For and on behalf of the Board,

**Ashok Chhajer
Chairman & Managing Director
DIN: 00280185**

(A) CONSERVATION OF ENERGY:

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

(B) TECHNOLOGY ABSORPTION:

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

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:

	2022-23	2021-22
Total Foreign exchange earnings	₹ 58.42 Crores	₹ 56.06 Crores
Total Foreign Exchange expenditure	₹ 29.60 Crores	₹ 9.47 Crores

Registered Office
Plot No. 431, Santej Vadsar Road,
Village: Santej, Taluka: Kalol
Dist: Gandhinagar - 382721
Date : 21st July, 2023

For and on behalf of the Board,

Ashok Chhajer
Chairman & Managing Director
DIN: 00280185

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31st March, 2023.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31st March, 2023:

Name of Directors	Category of Directorship	No. of other Directorships@	No. of Committee position in other companies**		No. of Board Meetings attended during 2022-23	Attendance at the AGM held on 21-09-2022 Yes(Y)/No(N)
			Member	Chairman		
Ashok Chhajer, Chairman & Managing Director	Promoter-Executive	3	1	—	7	Y
Rishab Chhajer, Joint Managing Director	Promoter-Executive	2	—	—	7	Y
Kashyap R. Mehta	Independent Non-Executive	3	4	2	7	Y
Swati Pipara	Independent Non Executive	—	—	—	7	Y
Mr. Hitendra Chopra [#]	Independent Non-Executive	—	—	—	5	Y
Anil Kumar Bhandari [§]	Independent Non-Executive	1	—	—	2	N.A.

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

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

[#] Mr. Hitendra Chopra has been appointed as an Independent Director of the Company w.e.f. 18th July, 2022.

[§] Mr. Anil Kumar Bhandari has resigned as an Independent Director of the Company w.e.f. 18th July, 2022.

b) Directorship in Listed Entities other than Gujarat Craft Industries Limited and the category of directorship as on 31st March, 2023, is as follows:

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

c) Relationships between directors inter-se:

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

d) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial year 2022-23 were held 7 times on 21st May, 2022, 18th July, 2022, 3rd August, 2022, 5th September, 2022, 13th September, 2022, 14th November, 2022 and 9th February, 2023.

e) Shareholding of Non- Executive Directors as on 31st March, 2023:

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

f) Familiarisation Program for Independent Directors:

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

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

The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Name	Qualifications	Experience / Expertise
Mr. Ashok Chhajer	Commerce Graduate	He is an industrialist. He has an experience of more than 35 years in plastic & packaging industries. He has also relevant Experience in management and administration.
Mr. Rishab Chhajer	Bachelors of Industrial Engineering	He has an experience in Industrial Engineering and Business Administration. He has also experience in international sales, marketing and production management.
Mr. Kashyap R. Mehta	B.Com, FCS, ACIS (London), ACMA	He is a Company Secretary in practice since last 3 decades. He has vast experience in Corporate Laws & Finance.

Ms. Swati Pipara	B.Com., Chartered Accountant	She is a Chartered Accountant in practice and has experience in the field of Accounts, Audit, Taxation and International Engagements.
Mr. Hitendra Chopra [#]	CA, B.Com.	He is a business man and a qualified Chartered Accountant having experience in Banking SME businesses. He has experience of more than 10 years in Trading of Polymer Products and Manufacturing & Trading of Concrete Bricks and blocks, Pre-cast concrete products and other building construction & infrastructure related products.
Mr. Anil Kumar Bhandari [§]	B.Sc., LL.B.	He has an experience of more than 2 decades in Banking, Finance and Corporate Strategy with significant exposure to Legal/ recovery including restructuring / OTS / BIFR

[#] Mr. Hitendra Chopra has been appointed as an Independent Director of the Company w.e.f. 18th July, 2022.

[§] Mr. Anil Kumar Bhandari has resigned as an Independent Director of the Company w.e.f. 18th July, 2022.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

Name of Director	Business Leadership	Industry Domain Knowledge	Financial Expertise	Governance & Compliance
Mr. Ashok Chhajer	Y	Y	Y	Y
Mr. Rishab Chhajer	Y	Y	Y	Y
Mr. Kashyap R. Mehta	Y	N	Y	Y
Ms. Swati N. Pipara	N	N	Y	Y
Mr. Hitendra Chopra [#]	Y	Y	Y	Y
Mr. Anilkumar Bhandari [§]	Y	Y	Y	Y

[#] Mr. Hitendra Chopra has been appointed as an Independent Director of the Company w.e.f. 18th July, 2022.

[§] Mr. Anil Kumar Bhandari has resigned as an Independent Director of the Company w.e.f. 18th July, 2022.

Note - Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

h) In accordance with para C of Schedule V of the Listing Regulations, the Board of Directors of the Company hereby confirms that the Independent Directors of the Company fulfill the conditions specified in the Regulations and are independent of the management.

i) Detailed reasons for the resignation of an independent director:

Mr. Anil Kumar Bhandari (DIN: 02718111) has resigned as Independent Director of the Company w.e.f. 18th July, 2022, which is before the expiry of his tenure due to his pre-occupation and other commitments. Mr. Anil Kumar Bhandari has also confirmed that there are no other material reasons for his resignation other than those which is provided in his resignation letter.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on 31st March, 2023 & also as on date of the Report:

Name of the Directors	Expertise	Terms of reference & Functions of the Committee	No. of Meetings Attended during 2022-23
Kashyap R. Mehta Chairman	Majority members are Non-executive Independent. Chairman is Independent-Non Executive Director and majority members are Independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	6 of 6
Rishab Chhajer			6 of 6
Hitendra Chopra*			4 of 4
Anil Kumar Bhandari#			2 of 2

*Appointed w.e.f. 18th July, 2022.

Ceased w.e.f. 18th July, 2022 due to resignation.

The Audit Committee met 6 times during the Financial Year 2022-23. The maximum gap between two meetings was not more than 120 days. The Committee met on 21st May, 2022, 18th July, 2022, 3rd August, 2022, 5th September, 2022, 14th November, 2022 and 9th February, 2023. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee consists of the following Directors as on 31st March, 2023 and also as on date of the Report:

Name of the Directors	Functions of the Committee	No. of Meetings Attended during 2022-23
Kashyap R. Mehta, Chairman	All Committee members are Non-executive Independent. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	During the year under review, meeting of Nomination & Remuneration Committee were held on 18 th July, 2022. All the members were present at the said meetings.
Swati Pipara		
Mr. Hitendra Chopra*		
Anil Kumar Bhandari#		

*Appointed w.e.f. 18th July, 2022.

Ceased w.e.f. 18th July, 2022 due to resignation.

Term of reference & Remuneration Policy:

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

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

Performance Evaluation Criteria for Independent Directors:

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

5. REMUNERATION OF DIRECTORS:

1. The Company paid total Managerial Remuneration of Rs. 74.40 Lakh to Managing Director & Joint Managing Director during the year 2022-23.
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors.
3. No Stock Option has been offered to the Directors.
4. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
5. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
6. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
7. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
8. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31st March, 2023.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

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

- | | |
|-------------------------|----------|
| 1. Mr. Kashyap R. Mehta | Chairman |
| 2. Mr. Rishab Chhajer | Member |
| 3. Mr. Ashok Chhajer | Member |

The Stakeholders' Relationship Committee met 5 times during the Financial Year 2022-23. The Committee met on 21st May, 2022, 3rd August, 2022, 14th November, 2022, 9th February, 2023 and 27th March, 2023. The necessary quorum was present for all Meetings.

Details of investor complaints received and redressed during Fiscal 2023 are as follows:

Opening balance	Received during the year	Resolved during the year	Not solved to the satisfaction of shareholders	Closing balance
Nil	1	1	Nil	Nil

Ms. Sejal M. Kanbi, Company Secretary of the Company is Compliance Officer for the above purpose.

7. SENIOR MANAGEMENT:

The Company is managed by Mr. Ashok Chhajer, the Managing Director of the Company with assistance of Mr. Rishab Chhajer, Joint Managing Director, Ms. Jhanvi Jansari, CFO & Ms. Sejal Kanbi, Company Secretary of the Company under the guidance of the Board of Directors of the Company.

There is no change in the Senior Management since the close of the previous financial year 2021-22.

8. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2019-20	21-09-2020	1.00 p.m.	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) Special Resolution:- <ul style="list-style-type: none"> - Re-appointment of Mr. Rishab Chhajer as Joint Managing Director of the company for a period of 3 years. - Re-appointment of Mr. Ashok Chhajer as Managing Director of the company for a period of 3 years. - Reappointment of Ms. Swati Pipara as Independent Director of the Company for second term of 5 consecutive years
2020-21	21-09-2021	1.00 p.m.	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) Special Resolution:- <ul style="list-style-type: none"> - Adoption of New Set of Articles of Association of The Company Containing Articles in conformity with the Companies Act, 2013 - Alteration/Amendment/Modification in the Main Object Clause of The Memorandum of Association of the Company
2021-22	21-09-2022	1.00 p.m.	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) Special Resolution:- <ul style="list-style-type: none"> - Re-appointment of Mr. Rishab Chhajer as Joint Managing Director of the company for a period of 3 years. - Appointment of Mr. Hitendra Kewalchand Chopra (DIN: 03372530) as an Independent Director of the Company for a term of 5 years

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2022-23.

9. MEANS OF COMMUNICATION:

In compliance with the requirements of the SEBI (LODR) Regulations, the Company regularly intimates Unaudited / Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are also displayed on Company's website www.gujaratcraft.com.

The reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large.

During the year ended on 31st March, 2023, no presentations were made to Institutional Investors or analyst or any other enterprise.

10. GENERAL SHAREHOLDERS' INFORMATION:

a)	Registered Office	Plot No.431, Santej-Vadsar Road, Village: Santej, Taluka : Kalol-382 721, Dist : Gandhinagar.				
b)	Annual General Meeting (AGM)	Day : Saturday Date : 16 th September, 2023 Time : 1.00 p.m Venue : Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) pursuant to MCA / SEBI Circulars.				
c)	Financial Year	The Financial Year of the Company is 1 st April to 31 st March.				
d)	Financial Calendar	1st Quarter Results Mid - August, 2023. Half-yearly Results Mid - November, 2023. 3rd Quarter Results Mid - February, 2024. Audited yearly Results End - May, 2024.				
e)	Book Closure Dates	From : Sunday, the 10 th September, 2023 To : Saturday, the 16 th September, 2023 (Both days inclusive).				
f)	Dividend Payment Date	The payment of the final dividend for the FY 2022-23, if declared at the 39 th AGM, will be made on or after 16 th September, 2023 within the statutory time limit.				
g)	Listing of Shares on Stock Exchanges	BSE Limited (BSE), P. J. Towers, Dalal Street, Fort, Mumbai - 400 001 The Company has paid the annual listing fees for the financial year 2022-23.				
h)	Stock Exchange Code	<table border="0" style="width: 100%; text-align: center;"> <thead> <tr> <th style="text-decoration: underline;">Stock Exchange</th> <th style="text-decoration: underline;">Code</th> </tr> </thead> <tbody> <tr> <td>BSE</td> <td>526965</td> </tr> </tbody> </table>	Stock Exchange	Code	BSE	526965
Stock Exchange	Code					
BSE	526965					
i)	Registrar and Share Transfer Agents (for both Physical and Demat Segment of Equity Shares) of the Company	Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company: Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006 Email: ahmedabad@linkintime.co.in				
j)	ISIN NO.	INE372D01019				
k)	Share Transfer System :	<p>Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form. As per Regulation 40 of the Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in demat form with a depository.</p> <p>Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form.</p> <p>Pursuant to SEBI circular dated 25th January 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.</p>				

- l) Stock Price Data :
The shares of the Company were traded on the BSE Limited. The information on stock price data, BSE Sensex details are as under:

Month	BSE Limited			BSE Sensex
	High (₹)	Low (₹)	No. of Shares Traded	
April, 2022	157.95	134.20	115998	57,060.87
May, 2022	140.40	93.00	51058	55,566.41
June, 2022	107.90	89.00	26277	53,018.94
July, 2022	107.20	87.20	29634	57,570.25
August, 2022	102.40	80.50	43481	59,537.07
September, 2022	129.40	84.95	139275	57,426.92
October, 2022	119.00	95.10	24326	60,746.59
November, 2022	106.40	81.95	24596	63,099.65
December, 2022	104.00	81.05	34740	60,840.74
January, 2023	102.75	81.00	25160	59,549.90
February, 2023	92.40	68.60	17424	58,962.12
March, 2023	80.99	68.11	17249	58,991.52

- m) Distribution of Shareholding as on 31st March, 2023:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	4963	94.49	577686	11.82
501 to 1000	140	2.67	111070	2.27
1001 to 2000	67	1.28	98688	2.02
2001 to 3000	33	0.63	83293	1.70
3001 to 4000	7	0.13	25702	0.53
4001 to 5000	11	0.21	51949	1.06
5001 to 10000	15	0.29	110505	2.26
10001 & Above	16	0.30	3829407	78.34
Grand Total	5252	100.00	4888300	100.00

- n) Category of Shareholders as on 31st March, 2023:

Category	No. of Shares held	% of Shareholding
Promoters	36,08,990	73.83
Domestic Corporates & Clearing Members	15,120	0.31
NRIs	28,839	0.59
Other Public	12,35,351	25.27
Grand Total	48,88,300	100.00

- o) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company has not issued any GDRs/ADRs. There is no outstanding convertible securities/warrants as on date.

- p) Dematerialisation of shares and liquidity:

Company's Shares are traded compulsorily in dematerialised mode. As on date approx. 88 % of the Equity Shares of the Company are in dematerialised mode.

q) **Commodity Price Risks and Commodity Hedging Activities:**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices.

r) **Plant Location:**

1. Plot No. 431, Santej - Vadsar Road, Village: Santej, Taluka : Kalol,
Dist : Gandhinagar- 382 721.
2. 344, Village: Ekalbara, Near Cadila Health Care, Padra, Vadodara - 391 440, Gujarat.
- *3. Plot No. 25, KamlaAmrut Industrial Estate, Phase 2, Kadi – Chhatral Highway,
Kadi, Mehsana, Gujarat 382715.

The management expects to commence production of Flexible Intermediate Bulk Containers (FIBC) shortly.

s) **Address for correspondence:**

For any assistance regarding correspondence, dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:

Link Intime India Pvt. Ltd.,
506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre,
Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006.

Tele. No. :(079) 2646 5179

E-mail Address:ahmedabad@linkintime.co.in

Compliance Officer : Ms. Sejal Kanbi, Company Secretary

t) **CREDIT RATINGS:**

The Company has not obtained any Credit Rating during the financial year and hence no disclosure is required with respect to Clause 9(q) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. **MANAGEMENT DISCUSSION AND ANALYSIS:**

a. **Industry Structure and Developments:**

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

b. **Opportunities and Threats:**

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

c. **Segment wise Performance:**

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

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

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

e. Risks and Concerns:

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

f. Internal Control Systems and their Adequacy:

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

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2022-23 is described in the Directors' Report under the head 'Review of Operations'.

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

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

i. Key Financial Ratios:

Key Ratios	FY 2022-23	FY 2021-22	Change	Explanation, if required
Debtors Turnover	7.35	7.34	0.16	-
Inventory Turnover	5.08	5.99	-15.23	-
Interest Coverage Ratio	3.03	4.79	-36.67	Ratio shows adverse due to lower margin during current year.
Current Ratio	1.94	1.88	3.14	-
Debt Equity Ratio	0.57	0.67	-14.25	-
Net Profit Margin	2.11	4.44	-52.41	Ratio shows adverse due to lower margin during current year.
Return on Network	8.26	13.01	-36.54	
Operating Profit Margin	5.60	8.35	-32.93	

j. Cautionary Statement:

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

11. DISCLOSURES:

- The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.

- d. The Company is in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e. The policy on related party transactions is disclosed on the Company's website viz. www.gujaratcraft.com.
- f. Disclosure of Accounting Treatment:
Your Company has followed all relevant Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015.
- g. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement (QIP) during the financial year and hence no disclosure is required with respect to Clause 10(h) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h. A Certificate from M/s. Nishant Pandya & Associates, Practicing Company Secretaries to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as **Annexure –C**.
- i. During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.
- j. The details of total fees for all services paid by the Company to **the statutory auditor of the Company** viz. M/s. Kantilal Patel & Co. and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of fee	2022-23 (in Rs.)
Audit Fees	2,39,500/-
Tax Audit Fees	1,27,500/-
Certification Fees	69,800/-

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

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

- l. During the FY 2022-23, the Company has not given any 'Loans and Advances' in the nature of loan to Firms/ Companies in which Directors are interested.
- m. The Company does not have any subsidiary Companies as on reporting date. Hence, the said disclosure is not applicable.

12. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:

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

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

- i. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.

- ii. The Company's financial statements for the financial year 2022-23 do not contain any audit qualification.
 - iii. The internal auditors report to the Audit Committee.
- 14.** The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

For and on behalf of the Board,

Ashok Chhajer
Chairman & Managing Director
DIN:00280185

Place : Ahmedabad.
Date : 21st July, 2023

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31st March, 2023.

For and on behalf of the Board

Ashok Chhajer
Chairman & Managing Director
DIN:00280185

Place: Ahmedabad
Date: 21st July, 2023

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Gujarat Craft Industries Limited,

We have examined the compliance of conditions of Corporate Governance by Gujarat Craft Industries Limited ('the Company'), for the financial year ended on 31st March, 2023 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in Listing Regulations. 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 the above mentioned Listing Regulations.

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

For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES
FRN: S2011GJ166500

Place : Ahmedabad
Date : 21st July, 2023

KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821 COP-2052 : PR-583/2019
UDIN: F001821E000653703

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Gujarat Craft Industries Limited** [CIN: L25111GJ1984PLC007130] having registered office at Plot No. 431, Village-Santej, Santej-Vadsar Road, Tal-Kalol, Gandhinagar – 382 721 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Kashyap Rajendrabhai Mehta	00005063	23-09-1999
2	Ashok Chhajer	00280185	01-10-2004
3	Rishab Ashok Chhajer	05184646	13-02-2012
4.	Swati Naman Pipara	07144628	31-03-2015
5.	Mr. Hitendra Chopra [@]	03372530	18-07-2022
6.	Anil Kumar Bhandari [#]	02718111	13-02-2012

[@]appointed as Independent Director of the Company for a consecutive term of 5 years w.e.f. 18th July, 2022

[#]Resigned as Independent Director of the Company w.e.f. 18th July, 2022

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

**FOR NISHANT PANDYA & ASSOCIATES,
COMPANY SECRETARIES
FRN: S2019GJ700100**

Place : Ahmedabad
Date : 21st July, 2023

**NISHANT PANDYA
PROPRIETOR
ACS-51005 : COP-22435 : PR-2552/2022
UDIN: A051005E000654388**

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Craft Industries Limited** [CIN: L25111GJ1984PLC007130] ('hereinafter called the Company') having Registered Office at Plot No. 431, Santej Vadsar Road, Village: Santej, Taluka: Kalol, Dist: Gandhinagar 382721. 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 **whether electronically or otherwise** 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, 2023** 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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 -Not Applicable during the audit period
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021- Not Applicable during the audit period
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- Not Applicable during the audit period
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable as the Company is not registered as Registrar to Issue and Share transfer agent during audit period
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not Applicable during the audit period
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018-Not Applicable during the audit period; and
- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws etc. and sector specific laws such as The Recycled Plastics Manufacture and Usage Rules, 1999 for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field

such as Advocate, Labour Law Consultants, Engineers, Occupier of the Factories, Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc. and have found that the Company is generally regular in complying with the provisions of various applicable Acts.

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

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

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

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

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 and Key Managerial Personnel 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 year under review, the Members/Shareholders at the 38th Annual General Meeting (AGM) held on 21st September, 2022, by way of passing respective Special Resolutions,:

1. has re-appointed Mr. Rishab Chhajer (DIN: 05184646) as Joint Managing Director of the Company, liable to retire by rotation, for a period of 3 years with effect from 13th February, 2023 to 12th February, 2026;
2. has appointed Mr. Hitendra Kewalchand Chopra (DIN: 03372530) as an Independent Director of the Company pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 for a term of 5 consecutive years w.e.f. w.e.f. 18th July, 2022.

**FOR NISHANT PANDYA & ASSOCIATES,
COMPANY SECRETARIES
FRN: S2019GJ700100**

Place : Ahmedabad
Date : 21st July, 2023

**NISHANT PANDYA
PROPRIETOR
ACS-51005 : COP-22435 : PR-2552/2022
UDIN: A051005E000654355**

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

Disclaimer: We have conducted the assignment by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company pertaining to Financial Year 2022-23. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time or still there is time line to comply with such compliances.

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We relied on the statutory report provided by the Statutory Auditor as well as Internal Auditor of the Company for the financial year ended 31st March, 2023.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR NISHANT PANDYA & ASSOCIATES,
COMPANY SECRETARIES
FRN: S2019GJ700100
NISHANT PANDYA
PROPRIETOR
ACS-51005 : COP-22435 : PR-2552/2022
UDIN: A051005E000654355**

Place : Ahmedabad
Date : 21st July, 2023

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
CSR Report for the financial year ended 31st March, 2023
[Pursuant to Section 135 of the Companies Act, 2013]

1	Brief outline of CSR Policy of the Company	The Company aims to demonstrate its social responsibility with special emphasis on improvement of health, education, environment sustainability and other spheres as decided by the Board.			
2	The Composition of the CSR Committee:				
	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	1	Mr. Ashok Chhajer	Chairman, Managing Director	Two	Two
	2	Mr. Rishab Chhajer	Member, Jt. Managing Director	Two	Two
	3	Mr. Kashyap R. Mehta	Member, Independent Director	Two	Two
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: www.gujaratcraft.com			
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable			
5	(a) Average net profit of the company as per sub-section (5) of section 135.	Rs. 592.18 lakhs			
	(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	Rs. 11.84 lakhs			
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil			
	(d) Amount required to be set off for the financial year 2022-23, if any	Nil			
	(e) Total CSR obligation for the financial year 2022-23 [(b)+(c)-(d)].	Rs. 11.84 lakhs			
6	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	Rs. 0.11 lakhs			
	(b) Amount spent in Administrative Overheads.	Nil			
	(c) Amount spent on Impact Assessment, if applicable.	Not Applicable			
	(d) Total amount spent for the Financial Year 2022-23 [(a)+(b)+(c)].	Rs. 0.11 lakhs			

	(e) CSR amount spent or unspent for the financial year:					
	Total Amount Spent for The Financial Year 2022-23 (in Rs.)	Amount Unspent (in Rs.)				
		Total Amount Transferred to Unspent CSR Account as per Sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
		Amount (in Rs.)	Date of transfer	Name of the Fund	Amount	Date of transfer
11,245	12.00 Lakhs	03/04/2023	-	Nil	N.A.	
	(a) Excess amount for set off, if any: -					
	Sr. No.	Particulars			Amount (in Rs.)	
	(1)	(2)			(3)	
	(i)	(a) Two percent of average net profit of the company as per sub-section (5) of section 135			11.84 lakhs	
		(b) Amount available for set off from FY 2021-22			Nil	
		(a)-(b) Total CSR obligation for the financial year 2022-23			11.84 lakhs	
	(ii)	Total amount spent for the Financial Year 2022-23			0.11 lakhs	
	(iii)	Amount Transferred to Unspent CSR Account as per Sub-section (6) of section 135			12.00 lakhs	
	(iv)	Excess amount spent for the financial year [(ii)-(i)]			N.A.	
	(v)	Surplus arising out of the CSR projects or Programmes or activities of the previous financial years, if any			Nil	
	(vi)	Amount available for set off in succeeding financial years [(iii)-(iv)]			N.A.	

7	(a) Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:								
	Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of section 135. (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount Remaining to be spent in succeeding financial year (in Rs.)	Deficiency, if any
						Amount (in Rs)	Date of transfer		
	1	2	3	4	5	6		7	8
	1	FY-1 (2021-22)	Nil	Nil	Nil	Nil	N.A.	Nil	Nil
2	FY-2 (2020-21)	Nil	Nil	Nil	Nil	N.A.	Nil	Nil	
3	FY-3 (2019-20)	Nil	Nil	Nil	Nil	N.A.	Nil	Nil.	
8	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: If Yes, enter the number of Capital assets created/ acquired						No		
	Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:								
	Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority/ Beneficiary of the registered owner			
	(1)	(2)	(3)	(4)	(5)	(6)	CSR Registration number, if applicable	Name	Registered Address
---	---	---	---	---	---	---	---	---	
(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)									
9	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)						Not applicable		

Place : Ahmedabad
Date : 21st July, 2023

Rishab Chhajer,
Jt. Managing Director–
Member of CSR Committee

Ashok Chhajer,
Chairman-
CSR Committee

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
GUJARAT CRAFT INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Gujarat Craft Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

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 Companies Act, 2013 (the "Act"), in the manner so required, and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters	Auditor's Response
<p>1. Inventory Existence and Valuation</p> <p>The Company recognised inventory of ₹ 3312.25 Lakhs at March 31, 2023. Inventory is held by Company's plants. We focused on this matter because of the:</p> <ul style="list-style-type: none"> - Relevance of the inventory for profitability on the financial statement. - Complications inherent in ascertaining the valuation of Inventory 	<p>We attended in inventory counts at Santej Plant, based on their financial significance and risk. For locations we didn't attend, we assessed certain controls related to inventory existence and value. Our Audit procedures comprised:</p> <ul style="list-style-type: none"> - Choosing a sample of inventory items and comparing the counted quantities with the recorded quantities. We then verified any differences found during physical verification to ensure accurate accounting. - Observing a sample of management's inventory count procedures to evaluate compliance with the company's process. - Making inquiries about non-moving inventory items and examining the conditions of items counted.

	<ul style="list-style-type: none"> - Assessing a selection of controls over inventory existence across the company. Additionally, we confirmed the inventory held by Job worker at their place for Job work. - Checking approvals for reviewing selling prices, authorizing and recording costs, and ensuring that subsequent selling prices exceed the inventory's accounted value. - Testing the valuation of inventory in line with Indian Accounting Standard -2. - Testing the design, implementation, and effectiveness of key controls management established for provision computations and to ensure inventory provision accuracy. <p>We identified no significant exceptions from these procedures.</p>
2. Recoverability of Trade receivable balances	
<p>The Company has outstanding trade receivable of ₹ 2,091.52 Lakhs (net of provision as per ECL of ₹ 78.69 Lakhs) as on March 31, 2023 which represent balance outstanding from domestic and export customers.</p> <p>Trade receivables by nature carry certain risks in general which include overdue balances, customer in weaker economic and geopolitical environment, customer's ability to pay, provision in relation to expected credit loss, assessment of recovery process and compliance with risk management controls. In determining above risk factors, the management takes into consideration the ageing status and likelihood of collection based on contractual terms, past experience customer correspondence etc.</p> <p>Due to the involvement of management's judgment and materiality of the amounts involved, we have identified testing of recoverability of trade receivables as a key audit matter.</p>	<p>Our audit procedure in this area included:</p> <ul style="list-style-type: none"> - We evaluated the Company's process and controls relating to monitoring of trade receivable process where we tested on a sample basis control over the customer acceptance process, collection and the assessment of the recoverability of receivables; - Tested on a sample basis the ageing of trade receivables at year end; - Obtained confirmations from customers on sample basis to support existence assertion of trade receivables. - In respect of material trade receivables balances outstanding as on March 31, 2023, we have rolled out for third party balance confirmations of which few has been received up to the date of signing of financials by Board of Directors and for others subsequent clearance of balances has been verified on sample basis; - In respect of material trade receivables balances, inspected relevant documents and correspondence with customers, wherever applicable; - We evaluated the assumptions used by management in calculation of the expected credit loss impairment including the impact of the future uncertainties in the economic environment.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act and the rules thereunder, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2023 have been audited by the predecessor auditor who expressed an unmodified opinion on those standalone financial statements on May 21, 2022. Our report on the standalone financial statements is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit, 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 as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Please refer Note No. 31(a).
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year.
- (iv)
 - (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.
- (v) The final dividend paid by the Company during the year in respect of same declared for the previous year is in accordance with the Section 123 of the Act to the extent it applies to payment of Dividend. As stated in note 13 to the Ind As financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the member at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Kantilal Patel & Co.
Chartered Accountants
Firm’s Registration No.: 104744W

Jinal A. Patel
Partner

Membership No.: 153599
UDIN:23153599BGVAYE3272

Place : Ahmedabad
Date : May 20, 2023

**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of
Gujarat Craft Industries Limited**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Gujarat Craft Industries Limited)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and the records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have intangible assets during the year and hence, reporting under Clause 3(i)(a)(B) is not applicable.
- (b) The Company has a program of physical verification of Property, Plant and Equipment, so as to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment due for verification during the year were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the property tax receipts, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnerships or any other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has complied with provisions of section 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing the undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (c) The details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes, are given below:

Sr. No.	Name of the statute	Nature of the dues	Amount Involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)	Period to which the amount related	Forum where dispute is pending	Remarks, if any
1	Income Tax Act, 1961	Income Tax	438.69	406.95	2012-13	Commissioner of Income Tax (Appeals)	-

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).
- (ix)
 - (a) The Company is regular in repayment of loans or other borrowings or in payment of interest thereon to lenders.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
 - (c) The Company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.
 - (d) According to the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(e) of the Order is not applicable.
 - (f) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x)
 - (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)
 - (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
 - (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.

- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and Section 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the board of directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a special account within a period of thirty days from the end of the financial year in compliance with the provisions of sub-section (6) of Section 135 of the Act.

For **Kantilal Patel & Co.**
Chartered Accountants
Firm's Registration No.: 104744W

Jinal A. Patel
Partner

Membership No.: 153599
UDIN:23153599BGVAYE3272

Place : Ahmedabad
Date : May 20, 2023

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Gujarat Craft Industries Limited

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Gujarat Craft Industries Limited)

Report on the internal financial controls with reference to the financial statements under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Kantilal Patel & Co.**
Chartered Accountants
Firm's Registration No.: 104744W

Place : Ahmedabad
Date : May 20, 2023

Jinal A. Patel
Partner
Membership No.: 153599
UDIN:23153599BGVAYE3272

BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2.1	4,715.06	4,879.75
(b) Right of use assets	2.2	-	-
(c) Capital work-in-progress	2.3	101.68	-
(d) Financial Assets			
(i) Investments	3	3.80	3.80
(ii) Other Financial Assets	4	63.84	32.14
(e) Other Non-current Assets	5	32.66	4.66
Total Non-current assets		<u>4,917.04</u>	<u>4,920.35</u>
(2) Current assets			
(a) Inventories	6	3,312.25	3,160.51
(b) Financial assets			
(i) Trade receivables	7	2,091.52	2,378.93
(ii) Cash and cash equivalents	8	50.77	43.36
(iii) Bank Balances other than (ii) above	9	188.05	125.40
(iv) Other Financial assets	10	74.74	62.26
(c) Other current assets	11	505.04	250.75
Total current assets		<u>6,222.37</u>	<u>6,021.21</u>
TOTAL ASSETS		<u><u>11,139.41</u></u>	<u><u>10,941.56</u></u>
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12	488.83	488.83
(b) Other equity	13	5,262.99	4,963.55
Total equity		<u>5,751.82</u>	<u>5,452.38</u>
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,478.66	1,594.28
(b) Provisions	15	27.16	27.97
(c) Deferred tax liabilities (Net)	16C	672.17	663.71
Total non-current liabilities		<u>2,177.99</u>	<u>2,285.96</u>
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,819.94	2,052.17
(ii) Trade payables	18		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		1,013.20	800.12
(iii) Other financial liabilities	19	42.30	28.75
(b) Other current liabilities	20	318.08	233.08
(c) Provisions	21	3.93	10.41
(d) Current Tax Liabilities (net)	22	12.15	78.69
Total current liabilities		<u>3,209.60</u>	<u>3,203.22</u>
TOTAL EQUITY & LIABILITIES		<u><u>11,139.41</u></u>	<u><u>10,941.56</u></u>
Summary of significant accounting policies	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm registration number: 104744W
Jinal Arpit Patel
Partner
Membership no.: 153599

Place : Ahmedabad
Date : May 20, 2023

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

Ashok Chhajer [Managing Director] [DIN: 00280185]	Rishab Chhajer [Jt. Managing Director] [DIN:05184646]
CA Jhanvi Jansari [Chief financial officer]	CS Sejal Kanbi [Company Secretary]

Place : Ahmedabad
Date : May 20, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note No.	For the year 2022-23	For the year 2021-22
I REVENUE			
Revenue from operations	23	16,433.48	17,080.10
Other Income	24	36.71	64.98
Total Income (I)		16,470.19	17,145.08
II EXPENSES			
Cost of materials consumed	25	9,936.35	10,925.00
Purchases of Stock-in-Trade	26	1,888.79	1,779.56
Changes in inventories of finished goods, Stock-in-Trade and work in progress	27	(83.52)	(704.99)
Employee benefits expense	28	427.94	432.64
Finance costs	29	266.27	244.00
Depreciation and amortization expense	2	219.35	220.74
Other expenses	30	3,355.78	3,222.48
Total Expenses (II)		16,010.96	16,119.43
III Profit before exceptional items and tax (I-II)		459.23	1,025.65
IV Exceptional Items		-	-
V Profit before tax (III-IV)		459.23	1,025.65
VI Tax expense:			
(1) Current tax	16A	109.00	253.82
(2) Excess provision for current tax of earlier years		(5.49)	(1.10)
(3) Deferred tax	16C	8.46	14.99
Total tax expenses		111.97	267.71
VII Profit for the year (V-VI)		347.26	757.94
Other Comprehensive Income			
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:			
(a) Remeasurements of the defined benefit plans		1.42	1.97
Income Tax effect		(0.36)	(0.50)
		1.06	1.47
(b) Upward revaluation of property, plant & equipments		-	743.60
Income Tax effect		-	(148.72)
		-	594.88
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods		-	-
VIII Total Other Comprehensive Income (i+ii)		1.06	596.35
IX Total Comprehensive Income for the year (VII+VIII)		348.32	1,354.29
Earning per share - Face Value of ₹ 10 each (March 31, 2022 ₹ 10 each)			
- Basic & Diluted	35	7.10	15.51

Summary of significant accounting policies 1**The accompanying notes form an integral part of the financial statements**

As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm registration number: 104744W

Jinal Arpit Patel
Partner
Membership no.: 153599

Place : Ahmedabad
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For and on behalf of the Board of Directors of
Gujarat Craft Industries Limited

Ashok Chhajer
[Managing Director]
[DIN: 00280185]
CA Jhanvi Jansari
[Chief financial officer]

Rishab Chhajer
[Jt. Managing Director]
[DIN:05184646]
CS Sejal Kanbi
[Company Secretary]

Place : Ahmedabad
Date : May 20, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakh)

A. Equity Share Capital						Amount
Particulars						
As at 1st April, 2021						488.83
Changes in Equity Share Capital due to prior period errors						-
Restated balance as at 1st April, 2021						488.83
Issue of Equity Share Capital						-
As at 31st March, 2022						488.83
Changes in Equity Share Capital due to prior period errors						-
Restated balance as at 1st April, 2022						488.83
Issue of Equity Share Capital						-
As at 31st March, 2023						488.83

B. Other Equity						(₹ in Lakh)
Particulars	Retained Earnings	General Reserve	Securities premium Account	Revaluation reserve (Other Comprehensive Income)	Total	
As at 1st April, 2021	1,848.48	4.30	301.75	1,454.73	3,609.26	
Changes in accounting policy or prior period errors	-	-	-	-	-	
Restated balance as at 1st April, 2021	1,848.48	4.30	301.75	1,454.73	3,609.26	
Profit for the year	757.94	-	-	-	757.94	
Other Comprehensive Income :						
Re-measurement gain on defined benefit plans (net of tax)	1.47	-	-	-	1.47	
Revaluation of Land (net of deferred tax)	-	-	-	594.88	594.88	
Total Comprehensive Income	759.41	-	-	594.88	1,354.29	
As at 31st March, 2022	2,607.89	4.30	301.75	2,049.61	4,963.55	
Changes in accounting policy or prior period errors	-	-	-	-	-	
Restated balance as at 1st April, 2022	2,607.89	4.30	301.75	2,049.61	4,963.55	
Profit for the year	347.26	-	-	-	347.26	
Other Comprehensive Income :						
Re-measurement gain on defined benefit plans (net of tax)	1.06	-	-	-	1.06	
Total Comprehensive Income	348.32	-	-	-	348.32	
Dividend paid	(48.88)	-	-	-	(48.88)	
As at 31st March, 2023	2,907.33	4.30	301.75	2,049.61	5,262.99	

The accompanying notes form an integral part of the financial statements

As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm registration number: 104744W

Jinal Arpit Patel
Partner
Membership no.: 153599

Place : Ahmedabad
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For and on behalf of the Board of Directors of
Gujarat Craft Industries Limited

Ashok Chhajer [Managing Director] [DIN: 00280185]	Rishab Chhajer [Jt. Managing Director] [DIN:05184646]
CA Jhanvi Jansari [Chief financial officer]	CS Sejal Kanbi [Company Secretary]

Place : Ahmedabad
Date : May 20, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	459.23	1,025.65
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	219.35	220.74
Loss/ (gain) on Sale of Fixed Assets	(0.03)	-
Amortisation of Prepaid Rent (Security Deposit)	2.82	-
Excess provision written back on trade receivables	(23.31)	-
Interest expense	266.28	244.01
Employee Benefit (Actuarial Gain/Loss) portion	1.42	1.97
Unrealised Loss / (Gain) on Forex	(10.26)	1.33
Interest income on Financial Asset measured at FVTPL	(2.32)	-
Interest income	(11.05)	(6.55)
Operating profit before working capital changes	<u>902.13</u>	<u>1,487.15</u>
Movements in working capital		
Increase/(decrease) in trade payables	215.27	(191.87)
Increase/(decrease) in other current financial liabilities	13.68	(27.93)
Increase/(decrease) in other current liabilities	85.00	51.42
Increase/(decrease) in short term provision	(6.48)	2.68
Increase/(decrease) in Long term provision	(0.82)	0.32
Decrease/(increase) in trade receivables	312.04	(102.09)
Decrease/(increase) in inventories	(151.76)	(621.05)
Decrease/(increase) in other current assets	(254.30)	67.02
Decrease / (increase) in other non-current assets	(30.82)	(4.57)
Decrease / (increase) in other non-current financial asset	(23.34)	-
Decrease / (increase) in other current financial asset	(2.85)	(6.16)
Cash generated from /(used in) operations	1,057.75	654.92
Direct taxes paid (net of refunds)	(172.25)	(234.71)
Net cash flow from/ (used in) operating activities (A)	<u>885.50</u>	<u>420.21</u>
Cash flows from investing activities		
Purchase of Property, Plant and Equipment, including intangible assets and Capital work-in-process	(158.54)	(284.45)
Sale proceed / capital subsidy of property, plant and equipments	2.25	0.31
Proceeds from / (Creation) of margin money deposit (Net):		
- for more than 3 months but less than 12 months	(6.04)	(31.61)
- for more than 12 months	(62.64)	(68.18)
Interest received	8.16	6.76
Net cash flow from/(used in) investing activities (B)	<u>(216.81)</u>	<u>(377.17)</u>
Cash flows from financing activities		
Repayment of long-term borrowings	(115.63)	136.59
Proceeds from Short-term borrowings	(232.23)	81.81
Interest paid (including interest on lease obligation)	(264.54)	(240.49)
Dividend Paid	(48.88)	-
Payment of principal portion of lease obligation	-	(7.72)
Net cash flow from/(used in) in financing activities (C)	<u>(661.28)</u>	<u>(29.81)</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	7.41	13.23
Cash and cash equivalents at the beginning of the year	43.36	30.13
Cash and cash equivalents at the end of the year	<u>50.77</u>	<u>43.36</u>

Particulars	(₹ in Lakh)	
	Year ended March 31, 2023	Year ended March 31, 2022
Components of cash and cash equivalents		
Cash on hand	3.33	2.83
Balance with banks	47.44	40.53
Total Cash and Cash Equivalents (Refer Note No. 8)	50.77	43.36

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- The Company has total sanction limit of ₹ 3000 Lakhs (March 31, 2022 ₹ 2000 Lakhs) with banks, out of which ₹ 1621.89 Lakhs (March 31, 2022 ₹ 1870.87 Lakhs) has been utilized.
- Changes in liabilities arising from Financial Activities

Particulars	As at 01.04.2022	Cash Flows	(₹ in Lakh)		As at 31.03.2023
			Non Cash Changes		
			Fair Value Changes	Other Changes	
Non Current Borrowings	1,594.28	(115.62)	-	-	1,478.66
Current Borrowings	2,052.17	(232.23)	-	-	1,819.94
Interest	0.19	(264.54)	-	(264.42)	0.07

Particulars	As at 01.04.2021	Cash Flows	(₹ in Lakh)		As at 31.03.2022
			Non Cash Changes		
			Fair Value Changes	Other Changes	
Borrowings Non Current	1,457.69	136.59	-	-	1,594.28
Borrowings Current	1,970.35	81.82	-	-	2,052.17
Interest	0.32	(240.49)	-	(240.36)	0.19
Lease Liabilities	7.72	(7.72)	-	-	-

The accompanying notes form an integral part of the financial statements

As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm registration number: 104744W

Jinal Arpit Patel
Partner
Membership no.: 153599

Place : Ahmedabad
Date : May 20, 2023

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

Ashok Chhajer
[Managing Director]
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[Jt. Managing Director]
[DIN:05184646]

CA Jhanvi Jansari
[Chief financial officer]

CS Sejal Kanbi
[Company Secretary]

Place : Ahmedabad
Date : May 20, 2023

Notes to financial statements for the year ended 31st March 2023**1. Significant Accounting Policies****1.1 Company Information**

Gujarat Craft Industries Ltd (Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the manufacturing of HDPE / PP woven fabrics, sacks, PE tarpaulin. The company caters to both domestic and international markets.

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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

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

(ii) Current versus non-current classification

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

(iii) Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

1.3 Use of Estimates:

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

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

1.4 Critical estimates and judgments

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

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

The areas involving critical estimates or judgment are:

Estimation of current tax expenses - refer note 1.7

The Group's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits

for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer note 16).

Estimation of Defined benefit obligation - refer note 1.14

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 37, 'Post Retirement Benefits'.

1.5 Fair value measurement

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

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

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

1.6 Revenue recognition

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

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

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

"Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts offered by the company as the part of contract. Revenue (net of variable consideration) is recognized only to the extent that is highly probable that amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved."

Sale of goods

Revenue from the sale of goods is recognized when control of the goods have passed to the buyer, usually on delivery of the goods. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Interest income

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

Dividends

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

Other Income:

Other income is recognized when no significant uncertainty as to its determination or realization exists.

1.7 Taxes

Tax expenses comprise of current and deferred tax.

Current income tax

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

Deferred tax

- a Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b Deferred tax liabilities are recognized for all taxable temporary differences.
- c Deferred tax assets are recognized for all deductible temporary differences, the carry forward of any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax losses can be utilized.
- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.
- f Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.8 Property, Plant and Equipment (PPE)

Property, Plant and Equipment (PPE) (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use.

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

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

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

Further, the Company evaluated the useful life of certain components of Plant and Machinery, the impact of which is not material. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

1.9 Borrowing costs

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

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

1.10 Leases

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

Company as a lessee:

(i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred and Lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the the lease term and the estimated useful lives of the assets is over the balance period of lease agreement.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

Company applies the short-term lease recognition exemption to its short-term leases. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

1.11 Inventories

Inventories are valued as under:

a RAW MATERIALS, PACKING MATERIALS AND STORES & SPARES :

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

b FINISHED GOODS & WORK IN PROGRESS :

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

c WASTE :

At net realizable value

d STOCK-IN-TRADE :

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

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

1.12 Impairment of financial assets & non-financial assets**a Financial asset**

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

b Non-financial assets

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

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year.

1.13 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

1.14 Employee benefits

- A Short Term Employee Benefits:

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

- B Post-Employment Benefits:

- i) Defined Contribution Plans:

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

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

- ii) Defined Benefit Plans:

The Employee's Gratuity Fund Scheme and compensated absences is Company's defined benefit plans. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which 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.

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

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

Gains or losses on the curtailment or settlement of any defined benefits plans are 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.

- C Long Term Employee Benefits:

The employees' long term compensated absences are company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the

projected unit credit method as at the date of the balance sheet. In case of funded plans, the full value of plan assets is reduced from the gross obligation to recognize the obligation on the net basis.

1.15 Financial instruments

Initial recognition and measurement:

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

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

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

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

Investments and other financial assets

(i) Classification

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

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

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

(ii) Measurement

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

Debt instruments:

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

(1) Amortised cost:

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

(2) Fair value through other comprehensive income:

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

Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on

specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Derecognition

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

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

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

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

Financial liabilities:

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

1.16 Foreign Currency Translation

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

1.17 Cash and cash equivalents

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

1.18 Cash flow statement

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, and unrealized foreign currency gains and losses etc.; and
- iii. all other items for which the cash effects are investing or financing cash flows.

1.19 Events after Reporting date

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

1.20 Recent Accounting Pronouncements issued but not yet effective

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS as explained below:

- a. Ind AS 1 – Presentation of Financial Statements – the amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation.
- b. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – the amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.
- c. Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation. The above amendments are effective from annual periods beginning on or after 1st April, 2023.

For the year 2022-23

2.1 Property, Plant and Equipment (Refer Note No 1.8)

(₹ in Lakh)

Particulars	Freehold Land	Building	Electrical Equipment	Plant and Equipment	Office Equipment	Office Equipment Computers	Furniture and Fixture (Refer sub-note 1)	Vehicles (Refer sub-note 1)	Total
Gross Carrying Amount									
As at 1st April 2021	1,878.55	742.95	20.50	1,802.95	22.60	12.87	6.41	181.89	4,668.72
Additions	81.13	16.12	0.50	346.78	0.27	0.59	86.49	-	531.88
Disposals	-	-	-	-	-	-	-	(6.26)	(6.26)
Revaluation	743.60 ²	-	-	-	-	-	-	-	743.60
At 31st March, 2022	2,703.28	759.07	21.00	2,149.73	22.87	13.46	92.90	175.63¹	5,937.94
Additions	-	-	-	53.53	1.20	1.15	-	1.00	56.88
Disposals	-	-	-	-	-	-	-	(17.63)	(17.63)
At 31st March, 2023	2,703.28	759.07	21.00	2,203.26	24.07	14.61	92.90	159.00¹	5,977.19
Depreciation									
At 1st April, 2021	-	129.78	15.99	605.65	14.04	9.66	3.19	71.95	850.26
Depreciation charge for the year	-	30.60	3.78	154.60	1.85	2.06	4.94	16.05	213.88
Disposals	-	-	-	-	-	-	-	(5.95)	(5.95)
At 31 Mar 2022	-	160.38	19.77	760.25	15.89	11.72	8.13	82.05	1,058.19
Depreciation charge for the year	-	30.76	0.19	161.68	1.68	0.53	8.73	15.78	219.35
Disposals	-	-	-	-	-	-	-	(15.41)	(15.41)
At 31 Mar 2023	-	191.14	19.96	921.93	17.57	12.25	16.86	82.42	1,262.13
Net carrying value									
At 31st March, 2023	2,703.28	567.93	1.04	1,281.33	6.50	2.36	76.04	76.58	4,715.06
At 31st March, 2022	2,703.28	598.69	1.23	1,389.48	6.98	1.74	84.77	93.58	4,879.75

- Vehicles include vehicles amounting to Rs. 116.40 Lakhs (March 31, 2022 Rs. 116.40 Lakhs) which are held in the name of Director of the Company.
- Revaluation of Land is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- All immovable properties are held in the name of the Company.

2.2 Right of use assets (Refer Note No.1.10)

(₹ in Lakh)

Right to Use Assets

Gross Carrying Amount

As at 1st April 2021 61.84

Reclassified on account of adoption of Ind AS 116 -

Disposals -

At 31st March, 2022 61.84

Reclassified on account of adoption of Ind AS 116 -

Disposals -

At 31st March, 2023 61.84

Depreciation

At 1st April, 2021 54.97

Depreciation charge for the year 6.87

Disposals -

At 31 March 2022 61.84

Depreciation charge for the year -

Disposals -

At 31 Mar 2023 61.84

Net carrying value

At 31st March, 2023 -

At 31st March, 2022 -

2.3 Capital work-in-progress	(₹ in Lakh)			
	Building	Plant and Equipment	Furniture & Fixture	Total
As at 1st April 2021	-	219.95	27.48	247.43
Additions	-	15.95	43.94	59.89
Disposals / Capitalised	-	235.90	71.42	307.32
At 31st March, 2022	-	-	-	-
Additions	-	101.68	-	101.68
Disposals / Capitalised	-	-	-	-
At 31st March, 2023	-	101.68	-	101.68

Particulars	(Rs. in Lakh)				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
CWIP aging schedule as at 31st March, 2023					
a. Projects in progress					
Kadi - New Unit	101.68	-	-	-	101.68
b. Projects temporarily suspended	-	-	-	-	-
Total	101.68	-	-	-	101.68
CWIP aging schedule as at 31st March, 2022					
a. Projects in progress					
b. Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

The projects mentioned above are expected to complete as per plan and there are no projects which are overdue or has exceeded its cost compared to its original plan.

3	Non-current Investments Investment in equity instruments (Unquoted) (Valued at Fair value Through Profit or loss) Equity shares of Chajjer Techfab Private Limited (Formerly known as Precision cast alloy pvt. Ltd.) 47,500 (March 31, 2022: 47,500) Share of ₹ 10 each fully paid up	(₹ in Lakh)	
		As at March 31, 2023	As at March 31, 2022
		3.80	3.80
	Total	3.80	3.80
	Aggregate amount of Quoted Investments	-	-
	Aggregate amount of Unquoted Investments	3.80	3.80
4	Other Non-current Financial Assets		
	Security deposits	26.18	0.52
	Margin Money Fixed Deposits with maturity of more than 12 months	37.66	31.62
	Total	63.84	32.14
5	Other Non-current Assets		
	Capital Advances	32.66	4.66
	Total	32.66	4.66

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(₹ in Lakh)

	As at March 31, 2023	As at March 31, 2022
6 Inventories (Refer Note No 1.11)		
Raw materials	662.10	576.46
Work-in-progress	1,271.13	1,148.09
Finished goods	1,315.48	1,361.02
Traded goods	-	37.60
Stores & spares	55.11	34.93
Wastage	8.43	2.41
Total	3,312.25	3,160.51

7 Trade receivables		
Trade receivables		
Secured - Considered Good	-	-
Unsecured - Considered Good	2,170.21	2,480.93
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables -credit impaired	-	-
	2,170.21	2,480.93
Less: Expected credit loss allowances	78.69	102.00
Total Trade Receivable	2,091.52	2,378.93

No trade or other receivables are due from director or other officers of the company either severally or jointly with any other person.

Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Refer Note 34C for credit risk evaluation.

Following is the movement of allowance for expected credit losses of trade receivables:

Balance at the beginning of the year	102.00	102.00
Add: Allowance for the year	-	-
(Less): Reversal of provision due to recovery	(23.31)	-
Balance at the end of the year	78.69	102.00

Particulars	Outstanding for following periods from due date of payment as at March 31, 2023							Total
	Not Due	< 6 months	6 month- 1 yr	1-2 years	2-3 years	> 3 years		
Undisputed trade receivables - Considered good	-	1,800.93	41.57	118.06	77.39	132.26	2,170.21	
Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-	
Undisputed trade receivables - Credit impaired	-	-	-	-	-	-	-	
Total	-	1,800.93	41.57	118.06	77.39	132.26	2,170.21	
Less: Expected credit loss allowances							(78.69)	
Total Trade receivable	-	1,800.93	41.57	118.06	77.39	132.26	2,091.52	

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022							Total
	Not Due	< 6 months	6 month- 1 yr	1-2 years	2-3 years	> 3 years		
Undisputed trade receivables - Considered good	-	-	2,225.55	119.88	94.45	41.05	2,480.93	
Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-	
Undisputed trade receivables - Credit impaired	-	-	-	-	-	-	-	
Total	-	-	2,225.55	119.88	94.45	41.05	2,480.93	
Less: Expected credit loss allowances							(102.00)	
Total Trade receivable	-	-	2,225.55	119.88	94.45	41.05	2,378.93	

(₹ in Lakh)

	As at March 31, 2023	As at March 31, 2022
8 Cash and Cash Equivalents		
Cash on hand	3.33	2.83
Balances with banks		
(i) On current accounts	0.66	0.57
(ii) Unpaid dividend account	4.99	-
(iii) Fixed Deposits with maturity of less than 3 months	41.79	39.96
Total	50.77	43.36

Above includes Margin money fixed deposits of Rs. 38.96 Lakhs (March 31, 2022 Rs. 39.96 Lakhs) which pertains to bank guarantees given to Statutory and other government authorities

9 Balances with banks other than Cash and Cash Equivalents

Fixed Deposits with maturity more than 3 months but less than or equal to 12 months	188.05	125.40
Total	188.05	125.40

Above includes Margin money fixed deposits of Rs. 114.26 Lakhs (March 31, 2022 Rs. 45.24 Lakhs) which pertains to bank guarantees given to Statutory and other government authorities

10 Other Current Financial Assets (Unsecured, considered good unless otherwise stated)

Security deposits	57.76	52.70
Loans to Employees	4.68	6.91
Interest accrued on Fixed Deposits	5.54	2.65
Derivative Instrument measured at Fair Value	6.76	-
Total	74.74	62.26

There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment.

11 Other Current Assets

Balances with Government Authorities	263.84	141.04
Export Incentive Receivable	75.33	60.33
Prepaid expenses	15.94	24.07
Other assets (includes other receivables, etc.)	149.93	25.31
	505.04	250.75

12 Equity Share Capital

Authorised		
50,00,000 (March 31, 2022: 50,00,000) Equity Shares of ₹ 10/- each	500.00	500.00
Issued, Subscribed and Fully Paid-up Equity Shares		
48,88,300 (March 31, 2022: 48,88,300) Equity Shares of ₹ 10/- each	488.83	488.83
Total Issued, Subscribed and Fully Paid-up Equity Share Capital	488.83	488.83

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

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the period	48,88,300	488.83	48,88,300	488.83
Add: Issued shares during the year	-	-	-	-
Outstanding at the end of the period	48,88,300	488.83	48,88,300	488.83

b. Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Ashokkumar Chhajer	14,03,000	28.70%	14,03,000	28.70%
Rishabh Chhajer	5,25,000	10.74%	5,25,000	10.74%
Sushma Chhajer	5,19,440	10.63%	5,19,440	10.63%
Ratanchand Ashokkumar HUF	4,15,800	8.51%	4,15,800	8.51%

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

d. Details of shareholding of Promoters in the company as at March 31, 2023

Sr. No.	Promoters / Promoter Group Name	Class of Shares	Number of shares held	% of total shares	% change during the year
Promoters					
1	Ashokkumar Chhajer	Equity Shares	14,03,000	28.70%	-
2	Rishabh Chhajer	Equity Shares	5,25,000	10.74%	-
3	Sushma Chhajer	Equity Shares	5,19,440	10.63%	-
4	Ratanchand Ashokkumar HUF	Equity Shares	4,15,800	8.51%	-
5	Shruti Chhajer	Equity Shares	1,44,750	2.96%	-
6	Typhoon Financial Services Limited	Equity Shares	2,00,000	4.09%	-
7	Woodlands Consultancy Services Pvt Ltd	Equity Shares	1,51,000	3.09%	-
8	APA Finance Limited	Equity Shares	1,50,000	3.07%	-
9	Indian Agrotech Limited	Equity Shares	1,00,000	2.05%	-

Details of shareholding of Promoters in the company as at March 31, 2022

Sr. No.	Promoters / Promoter Group Name	Class of Shares	Number of shares held	% of total shares	% change during the year
1	Ashokkumar Chhajer	Equity Shares	14,03,000	28.70%	-
2	Rishabh Chhajer	Equity Shares	5,25,000	10.74%	-
3	Sushma Chhajer	Equity Shares	5,19,440	10.63%	-
4	Ratanchand Ashokkumar HUF	Equity Shares	4,15,800	8.51%	-
5	Shruti Chhajer	Equity Shares	1,44,750	2.96%	-
6	Typhoon Financial Services Limited	Equity Shares	2,00,000	4.09%	-
7	Woodlands Consultancy Services Pvt Ltd	Equity Shares	1,51,000	3.09%	-
8	APA Finance Limited	Equity Shares	1,50,000	3.07%	-
9	Indian Agrotech Limited	Equity Shares	1,00,000	2.05%	-

(₹ in Lakh)

	As at March 31, 2023	As at March 31, 2022
13 Other Equity		
General Reserve		
Balance as per the last financial statements	4.30	4.30
Add: Amount transferred from surplus balance in the statement of P&L	-	-
	<u>4.30</u>	<u>4.30</u>
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.		
Securities Premium Account		
Balance as per the last financial statements	301.75	301.75
Revaluation Reserve		
Balance as per last financial statements	2,049.61	1,454.73
Revaluation of Land (net of deferred tax of ₹ 148.72 lakhs)	-	594.88
Closing Balance	<u>2,049.61</u>	<u>2,049.61</u>
Surplus in the Statement of Profit & Loss		
Balance as per last financial statements	2,607.89	1,848.48
Dividend paid	(48.88)	-
Profit for the year	347.26	757.94
OCI for the year	1.06	1.47
Closing Balance	<u>2,907.33</u>	<u>2,607.89</u>
Total Other Equity	<u>5,262.99</u>	<u>4,963.55</u>
Distribution Made and Proposed		
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31 March, 2022: Rs. 1.00 per share (31 March, 2021: Rs. Nil per share)	48.88	-
Total	<u>48.88</u>	<u>-</u>
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2023: Rs. 1.00 per share (31 March, 2022: Rs. 1.00 per share)	48.88	48.88
14 Non-current Borrowings		
Term Loan		
From Bank - Secured		
Term Loan	572.65	729.43
Against hypothecation of vehicle	13.06	37.70
Other Loans		
Loans from directors (unsecured)	325.27	298.01
Inter Corporate Loans (unsecured)	765.73	710.44
	<u>1,676.71</u>	<u>1,775.58</u>
The above amount includes		
Amount disclosed under the head "Current Borrowings" (Refer Note No. 17)	198.05	181.30
Total	<u>1,478.66</u>	<u>1,594.28</u>

- A Term loans from State Bank of India are taken during the financial year 2020-21 and carries interest at 11.00 % p.a. The loans are repayable in 54 monthly installments along with personal guarantee of Managing Director.with interest, from the date of loan. The loan is secured by hypothecation of Solar Power.

GECL Term loans from State Bank of India are taken during the financial year 2020-21 & 2021-22 which carries interest at 9.25 % p.a. The loans are repayable in 36 monthly installments along with interest, after two years from the date of loan. The loan is secured by with existing charge on inventories, books debts & other receivables and plant and machineries and all fixed assets of the company along with personal guarantee of Managing Director.

B Repayment Schedule of Loans

	Sanctioned Terms Months	As at 31.03.2022 (₹ in Lakhs)	As at 31.03.2021 (₹ in Lakhs)	Rate of Interest	No. of Installments outstanding	Installment Amount (₹ in Lakhs)
Vehicle Loan	36	13.06	37.70	7.80%	6	2.23

- i) Vehicle Loan obligations are secured by hypothecation of vehicles taken on hire purchase.
- ii) Term loans were applied for the purpose for which the loans were obtained.
- iii) The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- iv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period.

(₹ in Lakh)

	As at March 31, 2023	As at March 31, 2022
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15 Non-current Provisions

Provision for Employee Benefits

Compensated Absences	4.91	6.59
Gratuity (Refer Note No. 37)	22.25	21.38
Total	27.16	27.97

16 Income tax

A. Income tax recognised in Statement of Profit or Loss:

Current Tax:

Current tax	109.00	253.82
Excess provision for current tax of earlier years	(5.50)	(1.10)
Total Current Tax	103.50	252.72

Deferred Tax:

Deferred tax	8.47	14.99
Total tax expense	111.97	267.71

Effective income tax rate	24.38%	26.10%
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B. A reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Profit/ (loss) before tax	459.23	1,025.65
Enacted tax rate in India (Normal rate)	25.17%	25.17%
Expected income tax expense/ (benefit) at statutory tax rate	115.58	258.14
Expenses disallowed for tax purposes	0.51	1.00
Excess provision for current tax of earlier years	(5.50)	(1.10)
Other adjustments	1.38	9.67
Tax expense for the year	111.97	267.71

C Movement In Deferred Tax Assets And Liabilities

(₹ in Lakh)				
Movement during the year ended March 31, 2023	As at April 1, 2022	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at March 31, 2023
Deferred Tax Asset/(Liabilities)				
Property, Plant and Equipment	(209.43)	(1.77)	-	(211.20)
Revaluation on Land	(491.76)	0.97	-	(490.79)
Others	0.02	0.13	-	0.15
Total	(701.17)	(0.67)	-	(701.84)
Expenditure allowed in the year of payment				
	11.80	(1.92)	-	9.88
Others	25.66	(5.87)	-	19.79
Total	(663.71)	(8.46)	-	(672.17)
Movement during the year ended March 31, 2022	As at April 1, 2021	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Asset/(Liabilities)				
Property, Plant and Equipment	(192.93)	(16.50)	-	(209.43)
Revaluation on Land	(344.15)	-	(147.61)	(491.76)
Others	0.23	(0.21)	-	0.02
Total	(536.85)	(16.71)	(147.61)	(701.17)
Expenditure allowed in the year of payment				
	11.20	0.60	-	11.80
Others	25.66	-	-	25.66
Total	499.99	(16.11)	(147.61)	(663.71)

(₹ in Lakh)

As at March 31, 2023	As at March 31, 2022
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17 Current Borrowings**From Bank - Secured**

Working Capital Facilities from Banks	1,621.89	1,870.87
Current maturities of non-current borrowings (Refer Note No. 14)	198.05	181.30
Total	<u>1,819.94</u>	<u>2,052.17</u>

Working Capital, Suppliers Line of Credit from Banks in Foreign Currency and Short Term Loan are secured by hypothecation of entire current assets of the company and hypothecation of existing plant and machinery of the company, electric installation, Building & Proposed machinery & buildings. The cash credit is repayable on demand & carries interest at 11.00 % p. a. along with personal guarantee of Managing Director.

(₹ in Lakh)

As at March 31, 2023 As at March 31, 2022

18 Trade and other payables

Total outstanding dues of Micro Enterprises & Small Enterprises (refer note No. 40a)	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	<u>1,013.20</u>	<u>800.12</u>
Total	<u>1,013.20</u>	<u>800.12</u>

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022					Total
	NOT DUE	< 1 year	1-2 years	2-3 years	> 3 years	
MSME	-	-	-	-	-	-
Others	-	1,012.28	0.87	0.05	-	1,013.20
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
TOTAL	-	1,012.28	0.87	0.05	-	1,013.20

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022					Total
	NOT DUE	< 1 year	1-2 years	2-3 years	> 3 years	
MSME	-	-	-	-	-	-
Others	-	798.87	1.25	-	-	800.12
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
TOTAL	-	798.87	1.25	-	-	800.12

(₹ in Lakh)

As at March 31, 2023 As at March 31, 2022

19 Other Financial Liabilities

Interest accrued	0.07	0.19
Mark to market loss on derivative	-	3.47
Unspent Corporate Social Responsibility	12.00	-
Unspent Dividend	4.99	-
Other Liability	25.24	25.09
Total other financial liabilities	<u>42.30</u>	<u>28.75</u>

20 Other Current Liabilities

Statutory Liabilities	24.25	27.67
Contract Liabilities (Advance from Customers)	125.27	80.54
Other Liability	168.56	124.87
Total	<u>318.08</u>	<u>233.08</u>

(₹ in Lakh)

	As at March 31, 2023	As at March 31, 2022
21 Current Provisions		
Provision for Employee Benefits		
Compensated Absences	1.19	2.56
Gratuity (Refer Note No. 37)	2.74	7.85
Total	3.93	10.41
22 Liabilities for Current Tax (Net)		
Provision for Income Tax (Net of Advance tax)	12.15	78.69
Total	12.15	78.69

(₹ in Lakh)

	For the year 2022-23	For the year 2021-22
23A Revenue from operations		
A Sale of Products		
i) Finished goods		
Export	6,109.79	5,539.28
Domestic	7,835.30	9,326.19
Sub Total (i)	13,945.09	14,865.47
(ii) Traded Goods		
Export	-	-
Domestic	2,054.75	1,914.14
Sub Total (ii)	2,054.75	1,914.14
Sub Total (i + ii)	15,999.84	16,779.61
B Other Operating Revenue		
Exports Incentive	241.54	181.33
GST Refund	189.05	94.53
Sale of Scrap	2.83	21.25
Job work Income	0.22	3.38
Other Operating Revenue	433.64	300.49
Revenue from operations	16,433.48	17,080.10
Total (A+B)	16,433.48	17,080.10

23B Revenue from contracts with customers (refer Note No 1.6)**23.1 Disaggregated revenue informaton**

Set out below is the disaggregation of the Company's revenue from contracts with customers :

Type of goods or Services

Sales of

Plastic Packing Materials

Other Operating income

Total revenue from contracts with customers

Sales of Products

In India

Outside India

Total revenue from contracts with customers

Timing of revenue recognition

Goods transferred at a point in time

Services transferred over time

Total revenue from contracts with customers

Segments : Segment reporting as defined in Indian Accounting Standard 108 is not applicable since entire operations of the company relates to only one segment i.e. plastic packing material.

	(₹ in Lakh)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
23.2 Contract Balances		
Trade receivables	2,091.52	2,378.93
Contract liabilities (Advance from customers)	125.27	80.54
<p>Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days, usually backed up by financials arrangements. In March 2023, Rs. 23.31 Lakh (March 2022: Rs. Nil Lakh) was recognized as reversal of provision for expected credit losses on trade receivables. Contract liabilities include short-term advances received from customers against supply of Goods.</p>		
Set out below is the amount of revenue recognised from Opening contract liabilities:-		
Amounts included in contract liabilities at the beginning of the year	80.54	70.22
Performance obligations satisfied and revenue recognized during current year	80.21	69.89
23.3 Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price		
Revenue as per contracted price	16,433.29	17,087.55
Shortage/Quality Claims	(0.19)	7.45
Revenue from contract with customers	<u>16,433.48</u>	<u>17,080.10</u>
23.4 Performance obligation		
Information about the Company's performance obligations are summarized below:		
Plastic Packing Material		
The performance obligation is satisfied upon delivery of the goods and payment is generally due within 0 to 180 days from delivery, usually backed up by financials arrangements.		
23.5 The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31, 2023 are, as follows:		
Within one year	28.36	-
More than one year	-	0.33
24 Other income		
Profit on Sale of Fixed Assets (Net)	0.03	-
Foreign Exchange Fluctuation (Net)	-	53.59
Excess provision written back on trade receivable	23.31	-
Interest Income on:		
Bank deposits	11.05	6.55
Other interest income	2.32	4.84
	<u>36.71</u>	<u>64.98</u>
25 Cost of Materials Consumed		
Raw Materials		
Inventory at the beginning of the year	576.46	631.58
Add : Purchases	10,021.99	10,869.88
Less: Inventory at the end of the year	(662.10)	(576.46)
Total Cost of Raw Material Consumed	<u>9,936.35</u>	<u>10,925.00</u>

(₹ in Lakh)		
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
26 Purchase of traded goods		
Purchase of Stock-in trade	<u>1,888.79</u>	<u>1,779.56</u>
	<u>1,888.79</u>	<u>1,779.56</u>
27 Changes in inventories of finished goods, Stock-in -Trade and work-in- progress Inventories at the Closing of the year		
Work-in-Progress	1,271.13	1,148.09
Finished Goods	1,315.48	1,361.02
Waste	8.43	2.41
Sub Total (i)	<u>2,595.04</u>	<u>2,511.52</u>
Inventories at the Beginning of the year		
Work-in-Progress	1,148.09	909.76
Finished Goods	1,361.02	890.38
Waste	2.41	6.39
Sub Total (ii)	<u>2,511.52</u>	<u>1,806.53</u>
Sub Total (ii-i)	<u>(83.52)</u>	<u>(704.99)</u>
28 Employee Benefit Expenses		
Salaries, wages and bonus	404.22	414.99
Contribution to provident fund	3.40	4.16
Gratuity expense (Refer note 37)	5.72	6.26
Leave Encashment Expense	9.26	2.09
Staff welfare expenses	5.34	5.14
Total	<u>427.94</u>	<u>432.64</u>
29 Finance costs		
a. Interest Expenses		
Interest on Fixed Loans / Term Loan	57.67	44.58
Interest on Working Capital Loans	82.65	81.35
Interest on others	95.72	84.61
Interest on Income Tax	1.86	3.64
Interest on Indirect Tax	0.06	0.47
b. Other Borrowing costs		
Bank & other charges	28.31	29.35
	<u>266.27</u>	<u>244.00</u>

	(₹ in Lakh)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
31 Other Expenses		
Consumption of stores and spares	296.09	270.55
Labour & Process charges	1,174.90	1,220.83
Power and fuel	684.74	692.52
Rent	50.55	39.95
Freight and forwarding charges	655.61	607.37
Insurance	41.96	39.55
Repairs and maintenance		
Plant and machinery	50.18	45.80
Buildings	8.94	19.75
Others	24.93	20.06
Payment to Auditor	4.38	4.17
Foreign Exchange Fluctuation (Net)	25.75	-
Commission on sales	41.67	10.31
Legal & professional expenses	41.37	51.36
Travelling Expense	51.79	7.71
CSR expense (Refer sub-note b)	12.11	-
Miscellaneous expenses	190.81	192.55
	<u>3,355.78</u>	<u>3,222.48</u>
a. Payment to Auditor		
Audit fee	2.40	2.30
Tax audit fee	1.28	1.09
Limited review & Certification	0.70	0.78
	<u>4.38</u>	<u>4.17</u>
b. CSR Expense		
Spent towards various activities relating to Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013, details of which are as under:		
Details of Corporate Social Responsibility:		
1. Gross amount required to be spent during the year	12.11	-
2. Amount approved by the board to be spent during the year	12.11	-
3. Amount spent during the year:		
i) Construction/acquisition of any asset		
In Cash	-	-
Yet to be paid in cash	-	-
Total	-	-
ii) On purposes other than (i) above		
In Cash	0.11	-
Yet to be paid in cash	-	-
Total	<u>0.11</u>	<u>-</u>
Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per Ind AS 24 "Related Party Disclosures"		
	-	-
4. Amount related to spent/unspent obligation:		
i) Contribution to Trust	-	-
ii) Others	-	-
iii) Unspent amount in relation to :		
- Ongoing project	12.00	-
- Other than Ongoing project	-	-
Total	<u>12.11</u>	<u>-</u>

Reason of Shortfall			Due to ongoing projects			
Details of ongoing project						
In case of Section 135(6) (Ongoing Project)						
Opening Balance With Company	In Separate CSR Unspent Alc	Amount required to be spent during the year	Amount spent during the year		Closing Balance With Company*	Balance In Separate CSR Unspent Alc
			From Company's bank A/c	From Separate CSR Unspent Alc		
-	-	12.11	0.11	-	12.00	-

*deposited subsequent to year end.

31 Contingencies and Commitments (Refer Note No. 1.13)

Contingent liabilities not provided for in respect of:

(₹ in Lakh)			
Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Claims against the Company /disputed liabilities not acknowledged as debts	-	-
(b)	Disputed Statutory Claims		
	Income Tax	-	-
	Appeals preferred by Company	438.69	438.69
	TOTAL	438.69	438.69

Outflow in respect of (a) and (b) disputes /contingencies are dependent upon final outcome of the disputes or ultimate agreement to resolve the differences.

32 Fair Value Measurement

Financial Instrument by category and hierarchy

The fair value of the financial assets and liabilities are included at the amount of which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

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

For the financial assets and liabilities that are measured at fair values, the carrying amount are

equal to the fair value.

Accounting classification and fair values

(₹ in Lakh)

Financial Assets & Financial Liabilities	As at March 31, 2023				As at March 31, 2022			
	Fair value Through Profit or loss/ Other Compre- hensive Income	Amortised Cost	Total Carrying Value	Total Fair Value	Fair value Through Profit or loss/ Other Compre- hensive Income	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets								
Cash & Cash Equivalents (Refer note no 8)	-	50.77	50.77	50.77	-	43.36	43.36	43.36
Bank balances other than cash and cash Equivalents (Refer note no 9)	-	188.05	188.05	188.05	-	125.40	125.40	125.40
Investments (Refer note no 3)	3.80	-	3.80	3.80	3.80	-	3.80	3.80
Trade receivables (Refer note no 7)	-	2,091.52	2,091.52	2,091.52	-	2,378.93	2,378.93	2,378.93
Other Financial Assets (Refer note no 4 & 10)	-	138.58	138.58	138.58	-	94.40	94.40	94.40
Total	3.80	2,468.92	2,472.72	2,472.72	3.80	2,642.09	2,645.89	2,645.89
Financial Liabilities								
Borrowings (Refer note no 14 & 17)	-	3,298.60	3,298.60	3,298.60	-	3,646.45	3,646.45	3,646.45
Trade Payable (Refer note no 18)	-	1,013.20	1,013.20	1,013.20	-	800.12	800.12	800.12
Other Financial Liabilities (Refer note no 19)	-	42.30	42.30	42.30	-	28.75	28.75	28.75
Total	-	4,354.10	4,354.10	4,354.10	-	4,475.32	4,475.32	4,475.32

Fair value Hierarchy

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

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

(₹ in Lakh)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investment (other than investment in subsidiaries, Joint Venture & Associates)	-	-	3.80	-	-	3.80
Total	-	-	3.80	-	-	3.80

33 Capital risk Management

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

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

34 Financial risk management

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

A. Management of Liquidity Risk

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

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

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

Exposure as at 31st March 2023

(₹ in Lakh)				
Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	1,819.94	1,478.66	-	3,298.60
Trade Payable	1,013.20	-	-	1,013.20
Other Financial Liabilities	42.30	-	-	42.30
Total Financial Liabilities	2,875.44	1,478.66	-	4,354.10
As at March 31, 2022				
Financial Liabilities				
Borrowings	2,052.17	1,594.28	-	3,646.45
Trade Payable	798.87	1.25	-	800.12
Other Financial Liabilities	28.75	-	-	28.75
Lease Liability	-	-	-	-
Total Financial Liabilities	2,879.79	1,595.53	-	4,475.32

Financial Arrangements

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

(₹ in Lakh)		
Particulars	As at March 31, 2023	As at March 31, 2022
Expiring within one year (Bank overdraft and other facilities)	1,378.11	136.96
Expiring beyond one year (bank loans)	-	-

B. Management of Market Risk

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

- Foreign Currency risk
- Equity risk
- Interest rate risk

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

(i) Foreign Currency risk

Derivative Instruments and foreign currency exposure

(a) Derivatives outstanding as at reporting date (Rs. in lakhs)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Currency	Amount	Currency	Amount
Forward contract to sell USD	USD	15.53	USD	19.05
Forward contract to sell EURO	EURO	3.35	EURO	-
Forward contract to sell GBP	GBP	0.28	GBP	-
Forward contract to buy USD	USD	3.37	USD	-

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

Currency exposure as at 31st March 2023 (Rs. in lakhs)

Particulars	USD	EURO	GBP	AED
Trade receivables	5.38	1.64	0.25	-
Trade Payable	3.49	-	-	1.46
Cash and Cash Equivalents	-	-	-	-

Currency exposure as at 31st March 2022 (Rs. in lakhs)

Particulars	USD	EURO	GBP	AED
Trade receivables	2.33	2.56	-	-
Trade Payable	0.60	-	-	2.53
Cash and Cash Equivalents	-	-	-	-

Management Policy

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

Sensitivity to Risk

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

Particulars	As at		As at	
	31 st March, 2023		31 st March, 2022	
	5% increase	5% decrease	5% increase	5% decrease
USD	7.74	(7.74)	6.54	(6.54)
EURO	7.35	(7.35)	10.84	(10.84)
GBP	1.28	(1.28)	-	-
AED	(1.63)	1.63	(2.61)	2.61
Increase/ (decrease) in profit & loss	14.74	(14.74)	14.77	(14.77)

(ii) Interest rate risk

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

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

Exposure to interest rate risk

Interest rate sensitivity

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

Particulars	(₹ in Lakh)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
50 bp decrease would increase the profit before tax by	1.64	2.13
50 bp increase would decrease the profit before tax by	(1.64)	(2.13)

C Management of Credit Risk

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

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

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

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

Exposure to credit risk

The carrying amount of financial assets represents maximum credit exposures. The maximum credit exposure to credit risk was Rs. 2468.92 and Rs. 2642.09 as at March 31, 2023 and March 31, 2022 respectively being total of carrying amount of balance principally with banks, other bank balances, Trade receivable-billed and Trade receivables-unbilled and other financial assets.

The company's exposure to customers is diversified and except one customer as at March 31, 2023 and two customers as at March 31, 2022, no single customer contributes to more than 10%

and 10% of Trade receivable-billed and Trade receivable-unbilled as at March 31, 2023 and March 31, 2022.

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

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

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

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

Particulars	For the year year ended 31st March 2023	For the year year ended 31st March 2022
Net Profit as per Statement of Profit & Loss (₹ in Lakh)	347.26	757.94
No. of weighted average outstanding Equity Shares	48,88,300	48,88,300
Earning per Equity Share of ₹ 10/- each (Basic & Diluted)	7.10	15.51

36 Related Party Transactions as per Indian Accounting Standard 24:

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

(a) Name of Related Parties & Relationship

SN	Name	Relationship	Manner
1	Ashok Chhajer	Managing Director (Key management personnel)	Key Managerial Personnel & Personnel exercising more than 20% voting power
2	Rishab Chhajer	Joint Managing Director (Key management personnel)	Key Managerial Personnel & Relative as Son of Shri Ashok Chhajer
3	Kashyap R Mehta	Independent Director	
4	Hitendra Kevalchand Chopra	Independent Director	
5	Swati Naman Pipara	Independent Director	
6	Sushma Chhajer	Relative of Key Managerial personnel	Relative as a wife of Ashok Chhajer
7	Jhanvi Jansari	Chief Financial Officer	Key Managerial personnel
8	Sejal Kanabi	Company Secretary	Key Managerial personnel
9	Typhoon financial service Limited	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
10	Worldwide impex Pvt. Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
11	APA Finance Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
12	Technomod Prop. Pvt. Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
13	Indian Agrotech Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits

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

(₹ in Lakh)

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Independent Directors
(a) Managerial Remuneration					
Ashok Chhajer	26.40	26.40	-	-	-
P.Y.	26.40	26.40	-	-	-
Rishab Chhajer	48.00	48.00	-	-	-
P.Y.	48.00	48.00	-	-	-
Sushma Chhajer	9.00	-	9.00	-	-
P.Y.	9.00	-	9.00	-	-
Jhanvi Jansari	9.66	9.66	-	-	-
P.Y.	7.85	7.85	-	-	-
Sejal Kanabi	4.00	4.00	-	-	-
P.Y.	4.66	4.66	-	-	-
(b) Legal and Professional fees					
Mr. Kashyap Mehta	2.13	-	-	-	2.13
P.Y.	2.12	-	-	-	2.12
(c) Interest expense					
Ashok Chhajer	15.71	15.71	-	-	-
P.Y.	19.87	19.87	-	-	-
Rishab Chhajer	6.36	6.36	-	-	-
P.Y.	4.62	4.62	-	-	-
Typhoon Financial Service Limited	4.57	-	-	4.57	-
P.Y.	5.08	-	-	5.08	-
Worldwide Impex Pvt. Ltd.	9.16	-	-	9.16	-
P.Y.	7.27	-	-	7.27	-
APA Finance Ltd.	3.44	-	-	3.44	-
P.Y.	3.59	-	-	3.59	-
Indian Agrotech Ltd.	2.56	-	-	2.56	-
P.Y.	2.04	-	-	2.04	-
Loan Taken					
Ashok Chhajer	39.40	39.40	-	-	-
P.Y.	102.66	102.66	-	-	-
Rishab Chhajer	22.47	22.47	-	-	-
P.Y.	54.75	54.75	-	-	-
Typhoon Financial Service Ltd.	22.72	-	-	22.72	-
P.Y.	104.24	-	-	104.24	-
Worldwide Impex Pvt. Ltd.	277.43	-	-	277.43	-
P.Y.	149.87	-	-	149.87	-
APA Finance Ltd.	26.35	-	-	26.35	-
P.Y.	48.50	-	-	48.50	-
Indian Agrotech Ltd.	2.30	-	-	2.30	-
P.Y.	10.74	-	-	10.74	-

(₹ in Lakh)

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Independent Directors
(i) Loan Repaid/ (Recovered)					
Ashok Chhajer	47.43	47.43	-	-	-
P.Y.	235.55	235.55	-	-	-
Rishab Chhajer	9.26	9.26	-	-	-
P.Y.	25.86	25.86	-	-	-
Typhoon Financial Service Ltd.	43.79	-	-	43.79	-
P.Y.	119.16	-	-	119.16	-
Worldwide Impex Pvt. Ltd.	271.64	-	-	271.64	-
P.Y.	160.54	-	-	160.54	-
APA Finance Ltd.	27.84	-	-	27.84	-
P.Y.	50.48	-	-	50.48	-
Indian Agrotech Ltd.	3.46	-	-	3.46	-
P.Y.	4.32	-	-	4.32	-
(d) Balance Outstanding as at 31st March 2023					
Ashok Chhajer	235.50	235.50	-	-	-
P.Y.	227.81	227.81	-	-	-
Rishab Chhajer	89.77	89.77	-	-	-
P.Y.	70.20	70.20	-	-	-
Typhoon Financial Service Limited	35.70	-	-	35.70	-
P.Y.	52.19	-	-	52.19	-
Worldwide Impex Pvt. Ltd.	75.80	-	-	75.80	-
P.Y.	60.85	-	-	60.85	-
APA Finance Ltd.	18.58	-	-	18.58	-
P.Y.	16.64	-	-	16.64	-
Indian Agrotech Ltd.	31.39	-	-	31.39	-
P.Y.	29.98	-	-	29.98	-
Kashyap R. Mehta	0.58	-	-	-	0.58
P.Y.	-	-	-	-	-
e) Bank Guarantee Given by					
Ashok Chhajer and Rishab Chhajer	3,361.00	3,361.00	-	-	-
P.Y.	2,216.00	2,216.00	-	-	-

Compensation to Key Managerial Personnel of the Company:

(₹ in lakh)

Nature of Benefits	For the Year ended 31st March 2023	For the Year ended 31st March 2022
Short-term employee benefits	88.06	86.91
Post-employment gratuity benefits*	-	-
Total	88.06	86.91

Note:

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

37 Post Retirement Benefit Plans as per Indian Accounting Standard 19:

As per Actuarial Valuation as on 31st March, 2023 and 31st March, 2022 and recognized in the financial statements in respect of Employee Benefit Schemes:

A. Amount recognised in the Balance Sheet

Particulars	(₹ in Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
Gratuity:		
Present value of plan liabilities	24.99	29.23
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	24.99	29.23
Unfunded plans	-	-
Net plan liability/ (Asset)*	24.99	29.23

B. Movements in plan assets and plan liabilities

Gratuity:	(₹ in Lakh)					
	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
As at 1st April	-	29.23	29.23	-	28.14	28.14
Current service cost	-	3.84	3.84	-	4.42	4.42
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding actual return on plan assets	-	-	-	-	-	-
Actual return on plan asset	-	-	-	-	-	-
Interest cost	-	1.88	1.88	-	1.84	1.84
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-	-	-	(0.01)	(0.01)
Actuarial (gain)/loss arising from changes in financial Assumptions	-	(0.69)	(0.69)	-	2.14	2.14
Actuarial (gain)/loss arising from experience adjustments	-	(0.73)	(0.73)	-	(4.11)	(4.11)
Employer contributions	-	-	-	-	-	-
Benefit payments	-	(8.54)	(8.54)	-	(3.19)	(3.19)
As at 31st March	-	24.99	24.99	-	29.23	29.23

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

Defined benefit obligation and employer contribution

Particulars	(₹ in Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
Active members	71	77

C. Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses
(₹ in Lakh)

Gratuity	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current service cost	3.84	4.42
Finance cost/(income)	1.88	1.84
Asset/(Liabilities) recognised in Balance Sheet*	-	-
Net impact on the Profit / (Loss) before tax	5.72	6.26
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding actuarial return on plan assets		
Actuarial gains/(losses) arising from changes in demographic		
Actuarial gains/(losses) arising from changes in financial assumption	1.42	1.97
Experience gains/(losses) arising on experience adjustments		
Benefit plan liabilities		
Net Gain recognised in the Other Comprehensive Income before tax	1.42	1.97

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

D. Assets (₹ in Lakh)

	As at March 31, 2023	As at March 31, 2022
Gratuity:		
Unquoted		
Government Debt Instruments	-	-
Corporate Bonds	-	-
Insurer managed funds	-	-
Others	-	-
Total	-	-

E. Assumptions

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

The significant actuarial assumptions were as follows:

Gratuity:	As at March 31, 2023	As at March 31, 2022
Financial Assumptions		
Discount rate	7.23%	6.80%
Salary Escalation Rate	6.00%	6.00%
Attrition Rate	2.00%	2.00%

Demographic Assumptions

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

F. Sensitivity

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:
(₹ in Lakh)

Gratuity :	As at March 31, 2023		As at March 31, 2022	
	Change in Present value of Plan Liabilities due to		Change in Present value of Plan Liabilities due to	
	Increase in Factor	Decrease in Factor	Increase in Factor	Decrease in Factor
	by 100 bps	by 100 bps	by 100 bps	by 100 bps
Discount rate	(2.29)	2.70	(2.27)	2.69
Salary Escalation Rate	2.72	(2.34)	2.70	(2.23)
Attrition Rate	0.25	(0.30)	0.17	0.21

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

G. The defined benefit obligations shall mature after year end as follows:

Gratuity :	(₹ in Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
1st following year	2.74	7.85
2nd following year	1.01	0.53
3rd following year	1.74	1.30
4th following year	0.66	1.62
5th following year	0.92	1.32
Thereafter	58.10	54.34

Risk Exposure - Asset Volatility

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

(i) Leave obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of Rs. 6.10 Lakh (March 31, 2022: Rs. 9.15 Lakh) is presented as liabilities.

(ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is Rs. 3.40 Lakh (March 31, 2022: Rs. 4.16 Lakh).

38 Disclosure as per IND AS 116:

The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows:
(₹ in Lakh)

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening Balance	-	6.87
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Chnages on account of lease modification	-	-
Depreciation	-	(6.87)
Closing Balance	-	-

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2023 is as follows :

Current lease Liabilities	-	-
Non-current lease Liabilities	-	-
Total	-	-

The movement in lease liabilities during the year ended March 31, 2023 is as follows:

Opening Balance	-	7.72
Reclassified on account of adoption of Ind AS 116	-	-
Finance cost accrued during the period	-	-
Chnages on account of lease modification	-	-
Payment of lease liabilities	-	(7.72)
Translation difference	-	-
Closing Balance	-	-

The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows :

Particulars	As at	
	March 31, 2023	March 31, 2022
Less than one year	-	-
One to five years	-	-
Total	-	-

- i) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- ii) Rental expense recorded for short-term leases was Rs. 50.55 Lakh for the year ended March 31, 2023 and Rs. 39.95 Lakh for the year ended March 31, 2022.

39 Revenue from operations for the year ending March 31, 2023 includes Rs. 189.05 lakh (March 31, 2022 : Rs. 94.53 lakh) relating to Reimbursement of SGST which is recognized on receipt of "Eligibility Certificate" for application made under Gujarat Textile Policy, 2012.

40 a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 Based on the information available with the company there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2023. Hence, the disclosure relating to amounts unpaid as at the year end to gather interest paid / payable under this Act have not been given.

b) Trade payables includes acceptences of ₹ Nil (March 31, 2022 ₹ Nil).

41 Quarterly statements filed with banker for the borrowed funds from banks on the basis of securities of current assets are in agreement with books of accounts except below:

Period	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement (As per QIS-II)	Amount of difference	Reason for material discrepancies
Quarter ended June 30, 2021	State Bank of India	Inventory	1,742.33	2,017.54	(275.21)	Different overhead absorption method used in two records
Quarter ended June 30, 2021	State Bank of India	Receivables	2,809.01	2,791.66	17.35	Due to reconciliation and inter-ledger entries on later date.
Quarter ended September 30, 2021	State Bank of India	Receivables	2,224.34	2,207.00	17.34	Due to reconciliation and inter-ledger entries on later date.
Quarter ended December 31, 2021	State Bank of India	Receivables	2,830.87	2,814.06	16.81	Due to reconciliation and inter-ledger entries on later date.

42 Ratio Analysis

Sr. No.	Particulars	March 31, 2023	March 31, 2022	% Variance	Formula	Reason for Change in ratio in excess of 25% compared to preceding year
1	Current Ratio	1.94	1.88	3.14%	Current assets/ Current liabilities	-
2	Debt Equity Ratio	0.57	0.67	-14.25%	(Non-current Borrowings + Current Borrowings) / Net Worth	
3	Debt Service Coverage Ratio	3.03	4.79	-36.67%	(PAT + Depreciation + Interest) / (Interest + Installments)	Ratio shows adverse due to lower margin during current year.
4	Return on Equity Ratio	0.06	0.16	-60.95%	Net Profit / Average of Total Equity	Ratio shows adverse due to lower margin during current year.
5	Inventory turnover ratio	5.08	5.99	-15.23%	Revenue from Operations/Average Inventory for the year	
6	Trade Receivables turnover ratio	7.35	7.34	0.16%	Revenue from Operations / Average Trade Receivables	
7	Trade payables turnover ratio	14.31	14.46	-1.05%	Total Purchase / Average Trade payables	
8	Net capital turnover ratio	5.45	6.06	-10.01%	Revenue from Operations / Working Capital	
9	Net profit ratio	2.11%	4.44%	-52.41%	Net Profit / Revenue from Operation	Ratio shows adverse due to lower margin during current year.
10	Return on Capital employed	8.26%	13.01%	-36.54%	EBIT / Capital Employed	Ratio shows adverse due to lower margin during current year.
11	Return on investment	-	-	-	Dividend / Average investment	Not applicable to company as the company does not have investment and dividend income.

- 43** The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette of India on September 29, 2020, which could impact the contributions of the Company towards certain employment benefits. The effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period of notification of the relevant provisions.
- 44** (i) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (ii) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries)
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vi) The Company does not have any transactions with companies which are struck off.
- (vii) The Company has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.
- (viii) The Company do not have any subsidiary, so there is no requirement to comply with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm registration number: 104744W**

**Jinal Arpit Patel
Partner
Membership no.: 153599**

**Place : Ahmedabad
Date : May 20, 2023**

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

**Ashok Chhajer [Managing Director]
[DIN: 00280185] Rishab Chhajer [Jt. Managing Director]
[DIN:05184646]
CA Jhanvi Jansari [Chief financial officer] CS Sejal Kanbi [Company Secretary]**

**Place : Ahmedabad
Date : May 20, 2023**

E-COMMUNICATION REGISTRATION FORM
(Only for members holding shares in physical form)

Date:

To,
Link Intime India Private Limited,
506-508, Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road, Ahmedabad 380 006

UNIT – GUJARAT CRAFT INDUSTRIES LIMITED

Dear Sir,

Sub: Registration of E-mail ID for serving of Notices / Annual Reports through electronic mode by Company

We hereby register our E-mail ID for the purpose of receiving the notices, Annual Reports and other documents / information in electronic mode to be sent by the Company.

Folio No.:	
E-mail ID:	
Name of the First / Sole Shareholder:	
Signature:	

Note: Shareholder(s) are requested to notify the Company as and when there is any change in the e-mail address.

Enclosures: Self attested copy of PAN & Aadhar

GUJARAT CRAFT INDUSTRIES LIMITED

REGISTERED OFFICE:

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