



**GUJARAT CRAFT  
INDUSTRIES LTD**

CIN : L29199GJ1984PLC007130

**Head Office & Works**

431, Santej-Vadsar Road, Santej - 382 721, Tal.: Kalol, Dist.: Gandhinagar (Gujarat) INDIA  
Ph. : +91 2764 286131, +91 2764 248339/42 | M. 9909950534 | Fax : +91 2764 248334

**Ahmedabad Office**

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

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

An ISO-9001 Certified Company

12<sup>th</sup> August, 2021

**BSE Limited**

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

**Company Code No. 526965**

Dear Sir;

**Sub: Submission of Notice of 37<sup>th</sup> Annual General Meeting and Annual Report 2020-21**

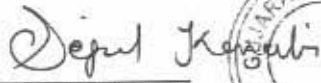
Pursuant to Regulation 30 and 34(1)(a) of SEBI (LODR) Regulations, 2015, we are enclosing herewith:

1. Notice of 37<sup>th</sup> Annual General Meeting of the members of the Company.
2. Annual Report 2020-21

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,  
for **GUJARAT CRAFT INDUSTRIES LIMITED**



**SEJAL KANBI**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
Membership No: A47980

Encl: As above.

**37<sup>TH</sup> ANNUAL REPORT**  
**2020-21**



GUJARAT CRAFT  
INDUSTRIES LTD

**[CIN : L29199GJ1984PLC007130]**

# GUJARAT CRAFT INDUSTRIES LIMITED

[CIN: L29199GJ1984PLC007130]

## 37<sup>TH</sup> ANNUAL REPORT 2020-21

<b>BOARD OF DIRECTORS</b>	: Mr. Anilkumar Bhandari Mr. Ashok Chhajjer Mr. Rishab Chhajjer Mr. Kashyap R. Mehta Ms. Swati Pipara	Chairman & Independent Director Managing Director Joint Managing Director Independent Director Independent Director
<b>MANAGEMENT TEAM</b>	: Ms. Sejal Kanbi : Ms. Jhanvi Jansari  : Mr. Raichand Golchha	Company Secretary Chief Finance Officer (w.e.f. 13 <sup>th</sup> October, 2020) Chief Finance Officer (upto 12 <sup>th</sup> October, 2020)
<b>STATUTORY AUDITORS</b>	: M/s. Arpit Patel & Associates, Chartered Accountants, Ahmedabad	
<b>SECRETARIAL AUDITOR</b>	: M/s. Pinakin Shah & Co., Practising Company Secretaries Ahmedabad	
<b>BANKERS</b>	: State Bank of India	
<b>REGISTERED OFFICE &amp; WORKS</b>	: Plot No.431, Santej-Vadsar Road, Village : Santej, Taluka : Kalol - 382 721, District : Gandhinagar	
<b>CITY OFFICE</b>	: 35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad - 380 009	
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	: Link Intime (India) Private Limited 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006	
<b>WEBSITE</b>	: <a href="http://www.gujaratcraft.com">www.gujaratcraft.com</a>	

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**NOTICE**

NOTICE is hereby given that the **37<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **GUJARAT CRAFT INDUSTRIES LIMITED** will be held on **Tuesday, the 21<sup>st</sup> September, 2021 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 31<sup>st</sup> March, 2021, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rishab Chhajer (DIN – 05184646), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re appointment.

**SPECIAL BUSINESS:**

3. Adoption of new set of Articles of Association of the company containing Articles in conformity with the Companies Act, 2013:

To adopt new set of Articles of Association containing Articles in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force ), the existing Articles of Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard."

4. Alteration/amendment/modification in the Main Object Clause of the Memorandum of Association of the Company and in this regard to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 4, 13, 15 and all other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules and Regulations framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approvals, consents, sanctions and permissions of the Central Government/appropriate regulatory and statutory authorities as may be necessary and subject to such terms and conditions as may be imposed by them, consent of the members/shareholders of the Company be and is hereby accorded to substitute the existing Main Object Clause III (A) with the following, namely:-

1. " To carry on business of manufacture, produce, process, prepare, buy, sell, market, import, export, deal in, distribute and provide after sale services to trade, Industry, Commerce for all kinds, types, description, nature of plastic, polythene, polypropylene, HDPE, LDPE, LLDPE, HDPE PP WOVEN FABRIC, Tarpaulin, Jumbo bag, FIBC, Vermibeds, HDPE/PVC/LDPE pipe, agriculture pipe, Geo textile made from woven & non-woven plastic fabric, PP Woven sacks, coated and uncoated fabric, woven and non-woven fabric for the purpose of packing of all types description of goods, merchandise, plants, machineries, parts, spares, stores, and other goods to facilitate for import, export and international trade.
2. To establish, own, run, manage and to Carry on the business of manufacturers, processors, producers, developers, traders, exporters, importers, buyers, sellers, stockists, agents, operators, engineers, fabricators, contractors, sub-contractors, brokers, assemblers, packers, re-packers,

jobbers, designers, laminators, merchants, resellers, dealers, distributors, converters, recyclers and distributors of and/or in any other capacity in which the business may be carried on all kinds of goods P.V.C. and plastic products and goods, including P.V.C. Pipes, sheets, lining, conduit pipe and ancillary products, resins and high density polythene products, pipes, tubes, hoses, sprinklers, Polyethylene pipes, drippers, accessories, fittings HDPE material for moulding and extrusion and all other ancillary and auxiliary materials or derivatives or articles or things which can be made of by using rigid PVC, polythene, LDPE, HDPE, PP, LLDPE, PET, plastic resins, plastic granules, polymers, monomers, polypropylene, thermoplastics, foam, adhesives, synthetic resins, emulsions, fiber glass, PVC Compound, PVC Dry blend, PVC Premix, PVC, HDPE, LLDPE, PLB Cable, Duct Pipe, Hose Pipe, PVC Pipe fittings, PVC wood, rails, grills, door closures, mirrors, fitting glasses, sanitary fittings, basin, shower, commode, pipe fittings, tap fittings, geysers, water filters, electric fittings and accessories fans, lamps, security items and sanitary items, polythene, polypropylene, ABS, nylon, polystyrene, pur, P.V.C. polyester strips, plastic powder and such other articles required to manufacture profile plastic, P.V.C. pipe, moulded household articles, tubing, films, rolls and the like by whatever name called or their derivatives/mixtures and to do all incidental acts and things necessary for the attainment of the above objects.

3. To engage in any lawful act or activity or business, or any act or activity or business to pursue any specific object or objects, as per the law for the time being in force.”

“RESOLVED FURTHER THAT pursuant to the provisions of sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or reenactment thereof, for the time being in force), and the rules framed there under, consent of the members of the Company be and is hereby accorded to substitute the headings of Clause III (B) of the Memorandum of Association of Company in following manner:

Clause III (B): “Matters which are necessary for furtherance of the Objects specified in Clause III (A) are:”

“RESOLVED FURTHER THAT the Clause III (C) of the Memorandum of Association of Company having heading “Other Objects” be deleted completely in compliance of Companies Act, 2013 and consequently there shall be no Other Objects.

“RESOLVED FURTHER THAT Mr. Ashok Chhajer, Managing Director and/or Mr. Rishab Chhajer, Jt. Managing Director & Company Secretary, be and are hereby jointly/severally authorized to do all such acts, deeds, matters and things as may be necessary in relation to the above including the matters incidental thereto including but not limited to signing and filing all the e-forms and other documents with the statutory authorities along with the Ministry of Corporate Affairs and to execute all such documents, instruments and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company, to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Ministry of Corporate Affairs or such other Authority arising from or incidental to the said amendment and to delegate all or any of the powers conferred herein as they may deem fit.”

**Registered Office:**

Plot No. 431, Santej-Vadsar Road,  
Village:Santej, Taluka:Kalol,  
Dist:Gandhinagar-382 721.  
Date : 26<sup>th</sup> July, 2021

**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 Businesses in the Notice is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the 37<sup>th</sup> Annual General Meeting (AGM) will be held on Tuesday, 21<sup>st</sup> September, 2021 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 Ministry of Corporate Affairs' (MCA) General Circular no. 14/2020 dated 8<sup>th</sup> April, 2020, MCA General Circular no. 17/2020 dated 13<sup>th</sup> April, 2020, MCA General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, MCA General Circular No. 22/2020 dated 15<sup>th</sup> June, 2020 and MCA General Circular No. 02/2021 dated 13<sup>th</sup> January 2021 and also SEBI circulars dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021 and in compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 37<sup>th</sup> AGM shall be the Registered Office of the Company.
3. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** Members 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 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](mailto: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 Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at [www.gujaratcraft.com](http://www.gujaratcraft.com), website of stock exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL (agency for providing remote e-voting facility) at [www.evotingindia.com](http://www.evotingindia.com). **Annual Report will not be sent in physical form.**
6. Members of the Company holding shares, either in physical form or in Dematerialised form, as on 6<sup>th</sup> August, 2021 will receive Annual Report for the financial year 2020-21 through electronic mode only.
7. The Register of Members and Share Transfer Books will remain closed from **15<sup>th</sup> September, 2021 to 21<sup>st</sup> September, 2021** (both days inclusive) for the purpose of Annual General Meeting (AGM).
8. 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) at its following address:  
 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](mailto:ahmedabad@linkintime.co.in)
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.

10. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred/ traded only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized.
12. 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.
13. 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 AGM are stated at the end of the Explanatory Statement annexed hereto.
14. As the AGM is to be held through VC/ OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on [info@gujaratcraft.com](mailto:info@gujaratcraft.com). The same will be replied / made available by the Company suitably.
15. The business set out in the Notice of AGM 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 at Note No. 20 of this Notice.
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
18. The Members 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 under Note No. 21.
- 19. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**
  - a) For Physical & Demat shareholders- please provide necessary details like Folio No. / DP Id-Client Id, 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 our RTA, Link Intime India Private Limited on their Email id: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) ; [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
  - b) The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**20. INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER:**

- a) 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 dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business set out in the Notice 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.

- b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 14<sup>th</sup> September, 2021.
- c) 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.
- d) The Results declared alongwith 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.
- e) **The instructions for members for remote e-voting are as under:**

- (i) The remote e-voting period begins on **at 9.00 a.m. on Saturday, the 18<sup>th</sup> September, 2021 and ends at 5:00 p.m. on Monday, the 20<sup>th</sup> September, 2021**. 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. **14<sup>th</sup> September, 2021** may cast their vote electronically (i.e. by remote e-voting). The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (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 December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

In order to increase the efficiency of the voting process, all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants, able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Pursuant to said SEBI Circular, **login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode** is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>



	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</p>
<p>Individual Members holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting.</li> </ol>
<p>Individual Members (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>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 &amp; voting during the meeting.</p>

**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**f) Login method of e-Voting for Members other than individual Members & physical Members:**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://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

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

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](http://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 Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- g) After entering these details appropriately, click on “SUBMIT” tab.
- h) Members 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.

- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for GUJARAT CRAFT INDUSTRIES LIMITED.
- k) 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.
- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- m) 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.
- n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- p) 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.
- q) **Note for Non – Individual Members and Custodians:**
  - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves 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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required 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- [info@gujaratcraft.com](mailto:info@gujaratcraft.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**The instructions for members for e-voting during the AGM are as under:**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those members/shareholders, who will be 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.
- (iii) If any Votes are cast by the members/shareholders through the e-voting available during the AGM and if the same members/shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such members/shareholders shall be considered

invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

- (iv) Members/Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. In case any Member who had voted through Remote E-voting, casts his vote again at the E- Voting provided during the AGM, then the Votes cast during the AGM through E-voting shall be considered as Invalid.

If you have any queries or issues regarding attending AGM & e-Voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact CDSL officials viz. Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**21. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Members/Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- c) Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) 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.
- e) Members 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’s email id- [info@gujaratcraft.com](mailto:info@gujaratcraft.com). 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](mailto:info@gujaratcraft.com). These queries will be replied by the Company suitably by email.

- f) Those members/shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- g) Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting.
- h) Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the RTA of the Company/DP, may get their email IDs registered as per the instructions provided in point No. 19 of this Notice.

### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 37<sup>TH</sup> ANNUAL GENERAL MEETING DATED 26<sup>TH</sup> JULY, 2021.**

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

The existing Articles of Association (“AoA”) are based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act, 1956 and some articles in the existing AoA are no longer in conformity with the Act. With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Companies stand notified, several regulations in the existing AoA of the company require alteration and/or deletion.

Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a company limited by shares and also carries forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

The proposed new draft of AoA is available for inspection to the shareholders at the registered office of the company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M and 5.00 P.M till the date of the meeting.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

The Board recommends this Resolution for your Approval.

##### **In respect of Item No. 4:**

The Company may recall that the Company had passed Special Resolution at the Extra Ordinary General Meeting held on 26th August, 1994 authorizing the Board of Directors to commence and undertake new business as given in sub-clauses 7,14,17,19,28,29,49,51,52 of Clause III (C) ‘Other Objects’ of the Memorandum of Association of the Company and accordingly, the Company carried out the business activities as mentioned in sub-clause 28 & 29 of Other Objects (current business activities).

In order to bring the Main Object Clause in line with the main business activities of the Company, the Board of Directors in their meeting held on 26<sup>th</sup> July, 2021, has decided to alter /amend the provisions of the Memorandum of Association of the Company relating to ‘Main Object’ of the Company by substituting the existing Main Object Clause III (A) with the following, namely:-

1. “ To carry on business of manufacture, produce, process, prepare, buy, sell, market, import, export, deal in, distribute and provide after sale services to trade, Industry, Commerce for all kinds, types, description, nature of plastic, polythene, polypropylene, HDPE, LDPE, LLDPE, HDPE PP WOVEN FABRIC, Tarpaulin, Jumbo bag, FIBC, Vermibeds, HDPE/PVC/LDPE pipe, agriculture pipe, Geo textile made from woven & non-woven plastic fabric, PP Woven sacks, coated and uncoated fabric, woven and non-woven fabric for the purpose of packing of all types description of goods, merchandise, plants, machineries, parts, spares, stores, and other goods to facilitate for import, export and international trade.

2. To establish, own, run, manage and to Carry on the business of manufacturers, processors, producers, developers, traders, exporters, importers, buyers, sellers, stockists, agents, operators, engineers, fabricators, contractors, sub-contractors, brokers, assemblers, packers, re-packers, jobbers, designers, laminators, merchants, resellers, dealers, distributors, converters, recyclers and distributors of and/or in any other capacity in which the business may be carried on all kinds of goods P.V.C. and plastic products and goods, including P.V.C. Pipes, sheets, lining, conduit pipe and ancillary products, resins and high density polythene products, pipes, tubes, hoses, sprinklers, Polyethylene pipes, drippers, accessories, fittings HDPE material for moulding and extrusion and all other ancillary and auxiliary materials or derivatives or articles or things which can be made of by using rigid PVC, polythene, LDPE, HDPE, PP, LLDPE, PET, plastic resins, plastic granules, polymers, monomers, polypropylene, thermoplastics, foam, adhesives, synthetic resins, emulsions, fiber glass, PVC Compound, PVC Dry blend, PVC Premix, PVC, HDPE, LLDPE, PLB Cable, Duct Pipe, Hose Pipe, PVC Pipe fittings, PVC wood, rails, grills, door closures, mirrors, fitting glasses, sanitary fittings, basin, shower, commode, pipe fittings, tap fittings, geysers, water filters, electric fittings and accessories fans, lamps, security items and sanitary items, polythene, polypropylene, ABS, nylon, polystyrene, pur, P.V.C. polyester strips, plastic powder and such other articles required to manufacture profile plastic, P.V.C. pipe, moulded household articles, tubing, films, rolls and the like by whatever name called or their derivatives/mixtures and to do all incidental acts and things necessary for the attainment of the above objects.

3. To engage in any lawful act or activity or business, or any act or activity or business to pursue any specific object or objects, as per the law for the time being in force.”

It is proposed to amend the Main Object Clause III (A) under the Clauses of the Memorandum of Association of the Company, by substituting the whole existing Main Object Clause III (A) of the Company with the above mentioned objects as stated in the Resolution in the annexed Notice.

Members may also note that there is need to alter the object clause of Memorandum of Association of Company in order to make it compliant with the provisions of the Companies Act, 2013, therefore the headings of Clause III (B) is recommended for change and Clause III (C) Other Objects for deletion.

The above amendment would be subject to the approval of the Registrar of Companies, Ministry of Corporate Affairs and/or any other Statutory or Regulatory Authority, as may be necessary.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection to the shareholders at the registered office of the company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M and 5.00 P.M till the date of the meeting.

As per Section 13 of the Companies Act, 2013, any alteration to the Object Clause of the Memorandum of Association of the Company requires approval of the Members/Shareholders by passing Special Resolution. Hence, appropriate resolution at Item No. 4 of the Notice is proposed for approval of the Members at the Annual General Meeting.

The Directors recommend the passing of the Special Resolution as set out at Item No. 4 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors of the Company or the Key Managerial Persons of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution as set out at Item No. 4 of the accompanying Notice except to the extent of their shareholding.

**Registered Office:**

Plot No. 431, Santej-Vadsar Road,  
Village:Santej, Taluka:Kalol,  
Dist:Gandhinagar-382 721.  
Date : 26<sup>th</sup> July, 2021

**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:**

<b>Name of Director with DIN</b>	<b>Rishab Chhajer (DIN:05184646)</b>
Age (in years)	32
Date of Birth	14-10-1989
Date of Appointment	13-02-2017
Qualifications	Bachelors of Industrial Engineering
Experience/ Expertise	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 resolution at item no. 2 of the Notice convening this Meeting.
Remuneration last drawn by such person, if any.	Refer to report on Corporate Governance
Shareholding in the Company	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
Number of Meetings of the Board attended during the year	10
List of Public Limited Companies in which Directorships held	Nil
List of Private Limited Companies in which Directorships held	Garima Properties Private Limited
Chairman/ Member of the Committees of Directors of other Companies	Nil
Justification for choosing the appointee for appointment as Independent Directors	N.A.

**DIRECTORS' REPORT**

Dear Members,

Your Directors feel pleasure to present the 37<sup>th</sup> ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2020-21 ended on 31<sup>st</sup> March, 2021.

**1. FINANCIAL RESULTS:**

(` in lakh)

Particulars	2020-21	2019-20
Operating Profit (Before Interest & Depreciation)	893.64	823.36
Less : Financial Cost	209.13	334.06
<b>Profit before Depreciation</b>	<b>684.51</b>	<b>489.30</b>
Less : Depreciation and amortization expense	213.24	209.68
<b>Profit before Tax</b>	<b>471.27</b>	<b>279.62</b>
Less : Tax expenses	117.63	64.96
<b>Profit after tax</b>	<b>353.64</b>	<b>214.67</b>
Add: Other Comprehensive income	0.44	1.07
<b>Total Income for the year</b>	<b>354.08</b>	<b>215.74</b>

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2021 and date of this report.

**2. DIVIDEND:**

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

**3. REVIEW OF OPERATIONS:**

The revenue from operations during the year under review was Rs. 147.59 Crores as compared to Rs. 143.09 Crores during 2019-20.

The Operating Profit (Before Interest and Depreciation) was Rs. 893.64 lakh during the year under review compared to Rs. 823.36 lakh during 2019-20. The Profit before Tax for the year under review was Rs. 471.27 lakh against Rs. 279.62 lakh during 2019-20. The Net Profit of the Company stood at Rs. 353.64 lakh compared to Rs. 214.66 lakh for the year 2019-20.

The Company has made export at FOB value of Rs. 47.75 Crores during the year under review compared to Rs. 55.92 Crores during 2019-20. The management is of the firm opinion that during the current year, the export market will improve and in turn, the exports of the Company will increase to a greater extent.

**4. RECOGNITION AS EXPORT HOUSE:**

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

**5. FINANCE:**

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

**6. COVID-19 PANDEMIC:**

Due to outbreak of Covid-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of Covid-19. There is slow down in the business of the Company due to lockdown/curfew which had impact on operations. However, the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities and compliance with the debt covenants, applicable, if any.

**7. LISTING:**

The Equity Shares of the Company are listed on BSE Limited. The Company is regular in payment of



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Annual Listing Fees. The Company has paid Listing fees up to the year 2020-21.

**8. SHARE CAPITAL:**

The paid up Share Capital of the Company as on 31<sup>st</sup> March, 2021 was Rs. 488.83 Lakhs. As on 31<sup>st</sup> March, 2021, 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.

**9. RESERVES:**

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

**10. DIRECTORS & KMP:**

10.1 The Shareholders at the 36<sup>th</sup> Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2020, have re-appointed Mr. Rishab Chhajer as Joint Managing Director of the Company for a period of three years w.e.f 13<sup>th</sup> February, 2020 to 12<sup>th</sup> February, 2023.

10.2 The Shareholders at the 36<sup>th</sup> Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2020, have re-appointed Mr. Ashok Chhajer as Managing Director of the Company for a period of three years w.e.f 1<sup>st</sup> October, 2020 to 30<sup>th</sup> September, 2023.

10.3 The Shareholders at the 36<sup>th</sup> Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2020, have appointed Ms. Swati Pipara as Independent Director for her second term of five consecutive years w.e.f. the conclusion of 36<sup>th</sup> AGM upto the conclusion of the 41<sup>st</sup> AGM to be held in the calendar year 2025.

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

10.5 The Board of Directors duly met 10 times during the financial year under review.

10.6 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.

10.7 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').

10.8 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.

10.9 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.

10.10 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 31<sup>st</sup> March, 2021 being end of the financial year 2020-21 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.

10.11 Ms. Jhanvi Jansari has been appointed as CFO of the Company w.e.f. 13<sup>th</sup> October, 2020. Mr. Raichand Golchha resigned from the post of CFO w.e.f. closure of business hours on 12<sup>th</sup> October, 2020.

#### 11. 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.

#### 12. MANAGERIAL REMUNERATION:

##### REMUNERATION OF DIRECTORS:

Sr. No.	Name of the Director & Designation	Remuneration for the year 2020-21	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1.	Mr. Ashok Chhajer, Managing Director	26,40,000	0%	-	2,76,000/-	9.57	N.A.
2.	Mr. Rishab Chhajer, Jt. Managing Director	36,00,000	140%	Higher responsibility and time involvement due to current expansion & modernisation	2,76,000/-	13.04	N.A.

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

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

#### 13. 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	140%
3.	Mr. Raichand Golchha*	CFO	-
4.	Ms. Sejal Kanbi	Company Secretary	10%
5.	Ms. Jhanvi Jansari®	CFO	N.A.

\*Resigned w.e.f. closure of business hours on 12<sup>th</sup> October, 2020  
@appointed w.e.f. 13<sup>th</sup> October, 2020

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

##### 14.1 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 Seven. 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.

#### 14.2 PARTICULARS OF EMPLOYEES:

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

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

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

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

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

#### 16. 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**.

#### 17. 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**.

#### 18. SECRETARIAL AUDIT REPORT:

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

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

#### 19. WEB ADDRESS OF ANNUAL RETURN:

Puuant to Section 92(3) read with Section 134(3)(a) of the Act, the draft Annual Return as on 31<sup>st</sup> March, 2021 is available on the website of the Company and can be accessed at [www.gujaratcraft.com](http://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.

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

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

**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 CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

During this period under the provisions under section 135 in respect of CSR is not applicable to the Company. Hence, your Directors have not constituted the Corporate Social Responsibility (CSR) Committee.

**24. 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.

**25. 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.

Place : Ahmedabad.  
Date : 26<sup>th</sup> July, 2021

**For and on behalf of the Board,**  
**Anil kumar Bhandari**  
**Chairman**  
**DIN: 02718111**

**(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:**

	2020-21	2019-20
Total Foreign exchange earnings	₹ 49.48 Crores	₹ 56.27 Crores
Total Foreign Exchange expenditure	₹ 3.85 Crores	₹ 5.95 Crores

For and on behalf of the Board,

Place : Ahmedabad.  
Date : 26<sup>th</sup> July, 2021

**Anil Kumar Bhandari**  
Chairman  
DIN: 02718111

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2021.

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

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

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

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

#### 2. BOARD OF DIRECTORS:

##### a) Composition and Category of Directors as on 31<sup>st</sup> March, 2021:

Name of Directors	Category of Directorship	No. of other Directorships@	No. of Committee position in other companies**		No. of Board Meetings attended during 2020-21	Attendance at the AGM held on 21-09-2020 Yes(Y)/No(N)
			Member	Chairman		
Ashok Chhajer, Managing Director	Promoter-Executive	3	1	—	10	Y
Rishab Chhajer, Joint Managing Director	Promoter-Executive	—	—	—	10	Y
Kashyap R. Mehta	Independent Non-Executive	3	2	2	10	Y
Anil Kumar Bhandari	Independent Non-Executive	1	—	—	10	Y
Swati Pipara	Independent Non Executive	—	—	—	10	Y

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

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

##### b) Directorship in Listed Entities other than Gujarat Craft Industries Limited and the category of directorship as on 31<sup>st</sup> March, 2021, is as follows:

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

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

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

**d) Board Procedures:**

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial year 2020-21 were held on 30<sup>th</sup> May, 2020, 7<sup>th</sup> July, 2020, 25<sup>th</sup> July, 2020, 2<sup>nd</sup> September, 2020, 12<sup>th</sup> October, 2020, 26<sup>th</sup> October, 2020, 11<sup>th</sup> November, 2020, 30<sup>th</sup> November, 2020, 9<sup>th</sup> February 2021 and 15<sup>th</sup> February 2021.

**e) Shareholding of Non- Executive Directors as on 31<sup>st</sup> March, 2021:**

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](http://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:

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

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
Mr. Anilkumar Bhandari	Y	Y	Y	Y
Ms. Swati N. Pipara	N	N	Y	Y

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

### 3. AUDIT COMMITTEE:

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

Name of the Directors	Expertise	Terms of reference & Functions of the Committee	No. of Meetings Attended during 2020-21
Anil Kumar Bhandari, Chairman	Majority members are Non-executive Independent.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	4 of 4
Kashyap R. Mehta	Chairman is Independent-Non Executive Director and majority members are Independent. One member has thorough financial and accounting knowledge.		4 of 4
Rishab Chhajer			3 of 4

The Audit Committee met 4 times during the Financial Year 2020-21. The maximum gap between two meetings was not more than 120 days. The Committee met on 7<sup>th</sup> July, 2020, 2<sup>nd</sup> September, 2020, 11<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

### 4. NOMINATION & REMUNERATION COMMITTEE:

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

Name of the Directors	Functions of the Committee	No. of Meetings Attended during 2020-21
Kashyap R. Mehta, Chairman	All Committee members are Non-executive Independent. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	During the year under review, meeting of Nomination & Remuneration Committee was held on 7 <sup>th</sup> July, 2020 & 12 <sup>th</sup> October, 2020. All the members were present at the said meetings.
Anil Kumar Bhandari		
Swati Pipara		



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**Term of reference & Remuneration Policy:**

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

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

**Performance Evaluation Criteria for Independent Directors:**

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

**5. REMUNERATION OF DIRECTORS:**

1. The Company paid Managerial Remuneration of Rs. 62.40 Lakhs to Managing Director & Joint Managing Director during the year 2020-21.
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 31<sup>st</sup> March, 2021.

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

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

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

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

The Company has not received any complaints during the year under review. There was no valid request for transfer of shares pending as on 31<sup>st</sup> March, 2021.

Ms. Sejal M. Kanbi is Compliance Officer for the above purpose.

**7. GENERAL BODY MEETINGS:**

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

Financial Year	Date	Time	Venue
2017-18	27-09-2018	1.00 p.m.	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar. <b>Special Resolution:-</b> Authority to the Board of Directors under Section 186 of the Companies Act, 2013.
2018-19	27-09-2019	1.00 p.m.	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar. <b>Special Resolution:-</b> - Reappointment of Mr. Kashyap R. Mehta as Independent Director of the Company for second term of 5 consecutive years - Reappointment of Mr. Anilkumar Bhandari as Independent Director of the Company for second term of 5 consecutive years.
2019-20	21-09-2020	1.00 p.m.	Plot No. 431, Santej-Vadsar Road, Village: Santej, Taluka: Kalol – 382 721. Dist: Gandhinagar. <b>Special Resolution:-</b> - Re-appointment of Mr. Rishab Chhajer as Joint Managing Director of the company 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

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 2020-21.

**8. MEANS OF COMMUNICATION:**

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

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

During the year ended on 31<sup>st</sup> March, 2021, no presentations were made to Institutional Investors or analyst or any other enterprise.

## 9. GENERAL SHAREHOLDERS' INFORMATION:

a)	Registered Office	Plot No.431, Santej-Vadsar Road, Village: Santej, Taluka : Kalol-382 721, Dist : Gandhinagar.				
b)	Annual General Meeting	Day : Tuesday Date : 21 <sup>st</sup> September, 2021 Time : 1.00 p.m Venue : Plot No. 431, Santej - Vadsar Road, Village: Santej, Taluka : Kalol - 382 721, Dist : Gandhinagar.				
c)	Financial Year	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021				
d)	Financial Calendar	1st Quarter Results                      Mid - August, 2021. Half-yearly Results                      Mid - November, 2021. 3rd Quarter Results                      Mid - February, 2022. Audited yearly Results                      End - May, 2022.				
e)	Book Closure Dates	From : Wednesday, the 15 <sup>th</sup> September, 2021 To : Tuesday, the 21 <sup>st</sup> September, 2021 (Both days inclusive).				
f)	Dividend Payment Date	Not applicable.				
g)	Listing of Shares on Stock Exchanges	<b>BSE Limited (BSE),</b> P. J. Towers, Dalal Street, Fort, Mumbai 400 001 The Company has paid the annual listing fees for the financial year 2020-21.				
h)	Stock Exchange Code	<table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: center;"><u>Stock Exchange</u></th> <th style="text-align: center;"><u>Code</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">BSE</td> <td style="text-align: center;">526965</td> </tr> </tbody> </table>	<u>Stock Exchange</u>	<u>Code</u>	BSE	526965
<u>Stock Exchange</u>	<u>Code</u>					
BSE	526965					
i)	Registrar and Share Transfer Agents (for both Physical and Demat Segment of Equity Shares) of the Company :	Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company: <b>Link Intime India Pvt. Ltd.</b> 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006 Email: ahmedabad@linkintime.co.in				
j)	ISIN NO.	INE372D01019				
k)	Share Transfer System :	Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, SEBI has amended Regulation 40 of the Listing regulations effective from 1st April 2019, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in Demat form. However, the transfer deed(s) lodged prior to the 1st April, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of 1st April 2019 with the Registrar and Share transfer Agents of the Company. Hence, Shareholders are advised to get their shares dematerialized.  In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.				

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

Month	BSE Limited			BSE Sensex
	High (₹)	Low (₹)	No. of Shares Traded	
April, 2020	25.30	20.75	7067	33,717.62
May, 2020	19.95	16.80	3690	32,424.1
June, 2020	30.05	18.00	3247	34,915.8
July, 2020	30.25	23.80	5936	37,606.89
August, 2020	26.60	23.50	2612	38,628.29
September, 2020	44.35	27.00	44454	38,067.93
October, 2020	49.90	33.90	24381	39,614.07
November, 2020	42.35	30.55	18149	44,149.72
December, 2020	42.40	32.75	24827	47,751.33
January, 2021	43.15	36.25	16288	46,285.77
February, 2021	44.50	35.95	11166	49,099.99
March, 2021	40.95	34.75	17080	49,509.15

- m) Distribution of Shareholding as on 31st March, 2021:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	4389	94.16	563110	11.52
501 to 1000	119	2.55	95997	1.96
1001 to 2000	71	1.52	104982	2.15
2001 to 3000	31	0.66	77086	1.58
3001 to 4000	10	0.21	35202	0.72
4001 to 5000	8	0.17	36976	0.76
5001 to 10000	14	0.30	101143	2.07
10001 & Above	19	0.41	3873804	79.25
<b>Grand Total</b>	<b>4661</b>	<b>100.00</b>	<b>48,88,300</b>	<b>100.00</b>

- n) Category of Shareholders as on 31st March, 2021:

Category	No. of Shares held	% of Shareholding
Promoters	36,08,990	73.83
Financial Institutions/Banks	—	—
Domestic Corporates	12,087	0.25
NRIs, Clearing Members	18,611	0.38
Other Public	12,48,612	25.54
<b>Grand Total</b>	<b>48,88,300</b>	<b>100.00</b>

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

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

- p) Dematerialisation of shares and liquidity:

Company's Shares are traded compulsorily in dematerialised mode. As on date approx. 86 % of the Equity Shares of the Company are in dematerialised mode.

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

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

r) **Plant Location:**

1. Plot No. 431, Santej - Vadsar Road, Village: Santej, Taluka : Kalol, Dist : Gandhinagar- 382 721.
2. 344, Village: Ekalbara, Near Cadila Health Care, Padra, Vadodara - 391 440, Gujarat.
3. Plot: 1, Om Ind. Est 1861 PK 1 PK 1, Nr. Maruti Est., Village: Santej, Taluka: Kalol, District: Gandhinagar, Gujarat.
4. 7, Maruti Industrial Estate, Block No. 1861 pk 350 sq.yrd, Nr. Raj Nagar Patia, Raj Nagar, Santej-Khatraj Road, Tal: Kalol, District: Gandhinagar - 382 721.

s) **Address for correspondence:**

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

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

Tele. No. :(079) 2646 5179

E-mail Address:[ahmedabad@linkintime.co.in](mailto: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 2020-21 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 2020-21	FY 2019-20	Change	Explanation, if required
Debtors Turnover (Times)	6.49	5.55	(0.94)	Decrease in receivables
Inventory Turnover (Times)	5.81	7.02	(1.21)	Increase in year end inventory
Interest Coverage Ratio (Times)	3.25	1.84	1.41	Improved attributable profit
Current Ratio	1.61	1.47	9.52	Reduction in current liability
Debt Equity Ratio (Times)	0.81	0.74	0.07	Improvement because of repayment of debt
Operating Profit Margin (%)	33.80	29.90	13.04	Increase of high contribution items in product mix
Net Profit Margin (%)	2.39	1.51	58.27	Improvement in margin
Return on Networth (%)	8.64	5.76	50	Improvement in attributable profit

**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. Pinakin Shah & Co., Practicing Company Secretaries to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as Annexure –C.
- i. During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.
- j. The details of total fees for all services paid by the Company to the statutory auditor of the Company viz. M/s. Arpit Patel & Associates and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of fee	2020-21	2019-20
Audit Fees	Rs. 2.30 Lakh	Rs. 2.30 Lakh
Tax Audit Fees	Rs. 1.09 Lakh	Rs. 1.09 Lakh
Certification Fees	Rs. 0.77 Lakh	Rs. 0.77 Lakh

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

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

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

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

**13. Non-Mandatory requirements of regulation 27 (1) & Part E of Schedule II of the Listing Regulations:**

- i. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- ii. The Company's financial statements for the financial year 2020-21 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,**

**Anil Kumar Bhandari**  
Chairman  
DIN: 02718111

Place : Ahmedabad.  
Date : 26<sup>th</sup> July, 2021

**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, 2021.

**For Gujarat Craft Industries Limited,**

Place: Ahmedabad  
Date: 26<sup>th</sup> July, 2021

**Ashok Chhajer**  
Managing Director  
DIN: 00280185

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**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, 2021 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 : 26<sup>th</sup> July, 2021

**KASHYAP R. MEHTA**  
**PROPRIETOR**  
**FCS: 1821 COP-2052 : PR-583/2019**  
**UDIN: F001821C000686241**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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 <sup>#</sup>	00005063	23-09-1999
2	Ashok Chhajer	00280185	01-10-2004
3	Anil Kumar Bhandari <sup>#</sup>	02718111	13-02-2012
4	Rishab Ashok Chhajer	05184646	13-02-2012
5	Swati Naman Pipara <sup>§</sup>	07144628	31-03-2015

<sup>#</sup>Re-appointed as Independent Directors of the Company for second term of 5 consecutive years w.e.f. 27th September, 2019

<sup>§</sup>Re-appointed as Independent Director for her second term of five consecutive years w.e.f. the conclusion of 36th AGM upto the conclusion of the 41st AGM to be held in the calendar year 2025

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

Place : Ahmedabad  
Date : 26<sup>th</sup> July, 2021

**PINAKIN S. SHAH**  
**PROPRIETOR**  
**FCS-2562 : COP-2932 : PR-572/2018**  
**UDIN: F002562C000685741**

## FORM NO. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021**

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Craft Industries Limited** [CIN: L29199GJ1984PLC007130] ('hereinafter called the Company') having Registered Office at Plot No. 431, Santej Vadsar Road, Village: Santej, Taluka: Kalol, Dist: Gandhinagar 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 **31<sup>st</sup> March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 -Not Applicable during the audit period
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014- Not Applicable during the audit period
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable during the audit period
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable as the Company is not registered as Registrar to Issue and Share transfer agent during audit period
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable during the audit period
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-Not Applicable during the audit period; and
- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws etc. and sector specific laws such as The Recycled Plastics Manufacture and Usage Rules, 1999 for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field

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

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

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

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

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 36<sup>th</sup> Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2020, by way of passing Special Resolution.:

1. have re-appointed Mr. Rishab Chhajer as Joint Managing Director of the Company for a period of three years w.e.f 13th February, 2020 to 12th February, 2023.
2. have re-appointed Mr. Ashok Chhajer as Managing Director of the Company for a period of three years w.e.f 1st October, 2020 to 30th September, 2023.
3. have appointed Ms. Swati Pipara as Independent Director for her second term of five consecutive years w.e.f. the conclusion of 36<sup>th</sup> AGM upto the conclusion of the 41<sup>st</sup> AGM to be held in the calendar year 2025.

**For PINAKIN SHAH & CO.  
COMPANY SECRETARIES**

**FRN: S2010GJ134100**

Place : Ahmedabad  
Date : 26<sup>th</sup> July, 2021

**PINAKIN S. SHAH  
PROPRIETOR**

**FCS-2562 : COP-2932 : PR-572/2018**

**UDIN: F002562C000685783**

**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:** Due to restricted movement amid COVID-19 pandemic, 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 up to the date of this Report pertaining to Financial Year 2020-21. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 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.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Ahmedabad  
Date : 26<sup>th</sup> July, 2021

**PINAKIN S. SHAH  
PROPRIETOR  
FCS-2562 : COP-2932 : PR-572/2018  
UDIN: F002562C000685783**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of 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, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the ‘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 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, 2021, the profit and 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’), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Emphasis of Matter**

We draw attention to Note no. 44 of the financial statement which describes the Management’s evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

#### **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 for the financial year ended March 31, 2021. 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.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the Key Audit Matter
<b>Inventory Existence and Valuation</b>	
<p>The Company recognised inventory of ₹ 25,39.44 Lakhs at March 31, 2021. Inventory is held by Company's plants. We focused on this matter because of the:</p> <ul style="list-style-type: none"> <li>- Significance of the inventory balance to the profit and statement of financial position</li> <li>- Complexity involved in determining valuation of Inventory</li> </ul>	<p>Our audit procedure in this area included:</p> <ul style="list-style-type: none"> <li>- Testing the Company's controls by checking approvals over reviewing selling price, authorising and recording of costs and comparing that the subsequent selling price is higher than the amount at which inventory is accounted.</li> <li>- Testing of the valuation of inventory as per applicable Indian Accounting Standard -2.</li> <li>- Testing a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold.</li> <li>- We attended inventory physical count on the reporting date. We performed following procedure at each locations: <ul style="list-style-type: none"> <li>- selected a sample of inventory items and compared the quantities we counted with the quantities recorded and for the differences found during physical verification, if any, we have verified that the same has been accounted.</li> <li>- Made enquiries regarding non-moving inventory items and inspected the conditions of items counted.</li> </ul> </li> </ul> <p>There were no significant exceptions noted from these procedures.</p>
<b>Recoverability of Trade receivable balances (as described in note 7 and 42 of the financial statements)</b>	
<p>The Company has outstanding receivable of ₹ 22,74.50 Lakhs (net of provision as per ECL of ₹ 102.00 Lakhs) as on March 31, 2021.</p> <p>Year-end outstanding trade receivables 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. Procedures to mitigate such risks includes element of management judgment and are important to assess recoverability of trade receivables.</p> <p>Trade receivables has been considered a key audit matter in the current year due to significance of the amount and element of judgement involved in overall management's assessment of customers' ability to repay the outstanding balances during COVID 19 disruption.</p>	<p>Our audit procedure in this area included:</p> <ul style="list-style-type: none"> <li>- We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls related to 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;</li> <li>- Analysed the ageing of trade receivables at year end;</li> <li>- In respect of material trade receivables balances outstanding as on March 31, 2021, 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;</li> <li>- In respect of material trade receivables balances, inspected relevant documents and correspondence with customers, wherever applicable;</li> <li>- In respect of material trade receivables balances which are past due, additional procedures were performed to evaluate the historical payment trends, terms &amp; conditions of contract with customers, enquired from management whether the customers are experiencing financial difficulties or any COVID 19 impact, and assessed expected credit loss assessment provided and impact considered by management;</li> </ul>

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

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

## **Responsibilities of Management and Board of Directors for the Financial Statements**

The Company's management and the 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 other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the management and the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 the financial statement.

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

- Identify and assess the risks of material misstatement of the financial statement, 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 with reference to financial statements 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 the management.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 statement 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 statement, including the disclosures and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2021, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect of the adequacy of the internal financial reporting of the Company with reference to these 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 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 – Refer Note No. 32 to the financial statements;
- ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Ahmedabad  
Date : June30, 2021

Arpit Patel  
Partner  
Membership No.: 034032  
UDIN: 21034032AAAACC4105

### **Annexure - A to the Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members Gujarat Craft Industries Limited of even date)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2021.

We report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on an annual basis. In accordance with this programme, fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
(c) With respect to immovable properties of land and buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, inventories have been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed during such verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of section 73 to 76 of the Act and rules made thereunder. Therefore, the provision of clause 3(v) of the order is not applicable.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, cess, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except in regards to Income Tax which is as follow:

Sr. No.	Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
1	Income Tax Act, 1961	Income Tax	22.02	2020-21	15-09-2020	30-06-2021

- (c) Details of dues of Income-tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Sr. No.	Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1	Income Tax Act, 1961	Income Tax	420.95	2012-13	Appeal is filed with Commissioner of Income Tax (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from government or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer and term loans during the year (including debt instruments). Accordingly, the provision of clause 3(ix) of the order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order is not applicable to the Company.
- (xiii) Based on our examination of records of the Company and according to the information and explanations given to us, the transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) are not applicable to the Company.
- (xv) Based on the examinations of the records and according to the information and explanations given by the management, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to the Company. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

Arpit Patel  
Partner

Place : Ahmedabad  
Date : June 30, 2021

Membership No.: 034032  
UDIN: 21034032AAAACC4105

## **Annexure - B to the Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Gujarat Craft Industries Limited of even date)

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

We have audited the internal financial controls over financial reporting of Gujarat Craft Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Responsibility of Management and Board of Directors for Internal Financial Controls**

The Management and the Board of Directors of the Company 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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**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, maintained an adequate Internal Financial Controls over Financial Reporting as at March 31, 2021 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI and the Company's Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2021.

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

Arpit Patel

Partner

Membership No.: 034032

UDIN: 21034032AAAACC4105

Place : Ahmedabad  
Date : June 30, 2021

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

( ₹ in Lakh)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2.1	3,818.46	3,584.89
(b) Right of use assets	2.2	6.87	34.36
(c) Capital work-in-progress	2.3	247.43	78.58
(d) Financial Assets			
(i) Investments	3	3.80	3.80
(ii) Other Financial Assets	4	0.52	0.52
(e) Other assets	5	0.09	3.63
<b>Total Non-current assets</b>		<b>4,077.17</b>	<b>3,705.78</b>
<b>(2) Current assets</b>			
(a) Inventories	6	2,539.44	2,037.49
(b) Financial assets			
(i) Trade receivables	7	2,274.50	2,579.66
(ii) Cash and cash equivalents	8	30.13	28.54
(iii) Bank Balances other than (iii) above	9	57.22	42.03
(iv) Other Financial assets	10	354.41	557.68
(c) Other current assets	11	23.13	14.81
<b>Total current assets</b>		<b>5,278.83</b>	<b>5,260.21</b>
<b>TOTAL ASSETS</b>		<b>9,356.00</b>	<b>8,965.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	12	488.83	488.83
(b) Other equity	13	3,609.26	3,255.18
<b>Total equity attributable to owners of the company</b>		<b>4,098.09</b>	<b>3,744.01</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	1,457.69	1,084.37
(ii) Other financial liabilities	15	-	7.72
(b) Provisions	16	27.65	24.94
(c) Deferred tax liabilities (Net)	17C	499.99	517.46
<b>Total non-current liabilities</b>		<b>1,985.33</b>	<b>1,634.49</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	1,861.23	1,698.08
(ii) Trade payables	19		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		991.80	1,493.13
(iii) Other financial liabilities	20	166.90	126.73
(b) Other current liabilities	21	188.39	172.26
(c) Provisions	22	7.72	6.21
(d) Liabilities for current tax (Net)	23	56.54	91.08
<b>Total current liabilities</b>		<b>3,272.58</b>	<b>3,587.49</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>9,356.00</b>	<b>8,965.99</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date  
 For ARPIT PATEL & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm registration number: 144032W

Arpit K Patel  
 Partner  
 Membership no.: 034032

Place : Ahmedabad  
 Date : June 30, 2021

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 : June 30, 2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

( ` in Lakhs)

Particulars	Note No.	For the year 2020-21	For the year 2019-20
<b>I REVENUE</b>			
Revenue from operations	24	14,759.04	14,308.62
Other Income	25	38.21	12.42
<b>Total Income (I)</b>		<b>14,797.25</b>	<b>14,321.04</b>
<b>II EXPENSES</b>			
Cost of materials consumed	26	8,823.83	8,954.78
Purchases of Stock-in-Trade	27	948.77	659.00
Changes in inventories of finished goods, Stock-in-Trade and work in progress	28	(2.14)	416.84
Employee benefits expense	29	375.30	331.50
Finance costs	30	209.13	334.06
Depreciation and amortization expense	2	213.24	209.68
Other expenses	31	3,757.85	3,135.56
<b>Total Expenses (II)</b>		<b>14,325.98</b>	<b>14,041.42</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>471.27</b>	<b>279.62</b>
<b>IV Exceptional Items</b>		-	-
<b>V Profit before tax (III-IV)</b>		<b>471.27</b>	<b>279.62</b>
<b>VI Tax expense:</b>			
(1) Current tax	17A	138.62	96.20
(2) Tax Of Earlier years		(3.51)	2.77
(3) Deferred tax	17C	(17.48)	(34.01)
<b>Total tax expenses</b>		<b>117.63</b>	<b>64.96</b>
<b>VII Profit for the year</b>		<b>353.64</b>	<b>214.66</b>
<b>Other Comprehensive Income</b>			
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:			
(a) Remeasurements of the defined benefit plans		0.59	1.43
Income Tax effect		(0.15)	(0.36)
		0.44	1.07
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods		-	-
<b>VIII Total Other Comprehensive Income (i+ii)</b>		<b>0.44</b>	<b>1.07</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>354.08</b>	<b>215.73</b>
Earning per share (Face Value of ` 10 each)			
- Basic & Diluted	36	7.23	4.39

The accompanying notes form an integral part of the financial statements

As per our report of even date  
For ARPIT PATEL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm registration number: 144032W

Arpit K Patel  
Partner  
Membership no.: 034032

Place : Ahmedabad  
Date : June 30, 2021

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 : June 30, 2021

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

(` in Lakhs)

Particulars	Attributable to the equity holders of the company					Total
	Reserves & Surplus			Securities premium Account	Items of Other Comprehensive Income Revaluation reserve	
	Equity share capital	Retained Net Surplus in Statement of Profit & Loss	Earnings General Reserve			
<b>As at April 1, 2019</b>	<b>488.83</b>	<b>1,278.67</b>	<b>4.30</b>	<b>301.75</b>	<b>1,454.73</b>	<b>3,528.28</b>
Add: Profit for the year	-	214.66	-	-	-	214.66
Add [Less]:						
Other Comprehensive income	-	1.07	-	-	-	1.07
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2020</b>	<b>488.83</b>	<b>1,494.40</b>	<b>4.30</b>	<b>301.75</b>	<b>1,454.73</b>	<b>3,744.01</b>
Add: Profit for the year	-	353.64	-	-	-	353.64
Add [Less]:						
Other Comprehensive income	-	0.44	-	-	-	0.44
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2021</b>	<b>488.83</b>	<b>1,848.48</b>	<b>4.30</b>	<b>301.75</b>	<b>1,454.73</b>	<b>4,098.09</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date  
 For ARPIT PATEL & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm registration number: 144032W

Arpit K Patel  
 Partner  
 Membership no.: 034032

Place : Ahmedabad  
 Date : June 30, 2021

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]

Place : Ahmedabad  
 Date : June 30, 2021

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

CS Sejal Kanbi  
 [Company Secretary]

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

	( ₹ in Lakh)	
	March 31, 2021	March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	471.27	279.62
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	213.24	209.68
Interest expense	209.14	334.06
Interest income	(3.75)	(5.42)
Operating profit before working capital changes	<u>889.90</u>	<u>817.94</u>
<b>Movements in working capital</b>		
Increase/(decrease) in trade payables	(501.33)	(498.49)
Increase/(decrease) in other current financial liabilities	(41.18)	48.06
Increase/(decrease) in other current liabilities	16.12	(180.59)
Increase/(decrease) in short term provision	1.50	0.91
Increase/(decrease) in Long term provision	3.30	2.56
Decrease/(increase) in trade receivables	305.16	113.91
Decrease/(increase) in inventories	(501.95)	527.86
Decrease/(increase) in other current assets	(8.31)	(9.85)
Decrease / (increase) in other non-current assets	3.55	8.64
Decrease / (increase) in other current financial asset	<u>204.30</u>	<u>242.21</u>
Cash generated from /(used in) operations	<u>371.06</u>	1,073.16
Direct taxes paid (net of refunds)	<u>(174.92)</u>	<u>(60.76)</u>
<b>Net cash flow from/ (used in) operating activities (A)</b>	<u><u>196.14</u></u>	<u><u>1,012.40</u></u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP	(588.18)	(146.12)
Proceeds from margin money deposit (Net)	(15.19)	18.90
Interest received	2.71	10.79
<b>Net cash flow from/(used in) investing activities (B)</b>	<u><u>(600.66)</u></u>	<u><u>(116.43)</u></u>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	475.38	(323.12)
Proceeds from Short-term borrowings	163.15	(225.82)
Interest paid (including interest on lease obligation)	(203.74)	(338.71)
Payment of principal portion of lease obligation	(28.68)	(25.45)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<u>406.11</u>	<u>(913.10)</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	<u>1.59</u>	<u>(17.13)</u>
Cash and cash equivalents at the beginning of the year	<u>28.54</u>	<u>45.67</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>30.13</u></u>	<u><u>28.54</u></u>
<b>Components of cash and cash equivalents</b>		
Cash on hand	3.66	2.17
Balance with banks	26.47	26.37
<b>Total cash and cash equivalents (note 8)</b>	<u><u>30.13</u></u>	<u><u>28.54</u></u>

Summary of significant accounting policies



Note:

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Changes in liabilities arising from Financial Activities

( ` in Lakhs)

Particulars	As at 01.04.2020	Cash Flows	Non Cash Changes		As at 31.03.2021
			Fair Value Changes	Current/ Non Current classification	
Borrowings Non Current	1,084.37	482.44	-	(109.12)	1,457.69
Other financial liabilities	7.07	(7.07)	-	109.12	109.12
Borrowings Current	1,698.08	(163.15)	-	-	1,861.23

( ` in Lakhs)

Particulars	As at 01.04.2019	Cash Flows	Non Cash Changes		As at 31.03.2020
			Fair Value Changes	Current/ Non Current classification	
Borrowings Non Current	1,234.08	(142.64)	-	(7.07)	1,084.37
Other financial liabilities	180.49	(180.49)	-	7.07	7.07
Borrowings Current	1,923.90	225.82	-	-	1,698.08

The accompanying notes form an integral part of the financial statements

As per our report of even date  
For ARPIT PATEL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm registration number: 144032W

Arpit K Patel  
Partner  
Membership no.: 034032

Place : Ahmedabad  
Date : June 30, 2021

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]
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Place : Ahmedabad  
Date : June 30, 2021

**Notes to financial statements for the year ended 31<sup>st</sup> March 2021****1.1 Company Information**

Gujarat Craft Industries Ltd (Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. its shares are listed on BSE Ltd. 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 Defined benefit obligation - refer note 1.14

Estimation of current tax expenses - refer note 1.7

## 1.5 Fair value measurement

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

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

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

## 1.6 Revenue recognition

Revenue is recognised 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 recognised.

### Sale of goods

Revenue from the sale of goods is recognised when control of the goods have passed to the buyer, usually on delivery of the goods. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### Interest income

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

### Dividends

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

### Other Income:

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

## 1.7 Taxes

Tax expenses comprise of current and deferred tax.

### **Current income tax**

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

### **Deferred tax**

- a Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

### 1.8 Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalisation criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. The Company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS Except in case of land which is carried at revalued amount.

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

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

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the assets mentioned

below for which useful lives estimated by the management. The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

### 1.9 Borrowing costs

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

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

### 1.10 Leases

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

#### Company as a lessee:

##### (i) Right-of-use assets

Company recognises 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 recognised, initial direct costs incurred, and lease payments 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 shorter of the lease term and the estimated useful lives of the assets, as follows:

<b>Assets</b>	<b>Estimated useful life</b>
Right-of-use of office premises, parlour premises, warehouses	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 recognises 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 recognised 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 recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases for which company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

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

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

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

**b Non-financial assets**

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

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

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

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

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

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

### **1.14 Employee benefits**

- A Short Term Employee Benefits:

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

- B Post-Employment Benefits:

- i) Defined Contribution Plans:

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

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

- ii) Defined Benefit Plans:

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

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

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The

classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

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

**C Long Term Employee Benefits:**

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

## 1.15 Financial instruments

### Initial recognition and measurement:

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

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

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

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

### Investments and other financial assets

#### (i) Classification

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

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

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

#### (ii) Measurement

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

#### Debt instruments:

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

#### (1) Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent



solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

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

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

**Equity instruments:**

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

**Derecognition**

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

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

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

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

**Financial liabilities:**

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

**1.16 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**

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

**1.19 Events after Reporting date**

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

**1.20 Recent accounting pronouncements****Amendment to Ind AS 116 "Leases" – Insertion of practical expedient for COVID-19 related lease concessions**

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021. Amendment also requires disclosure of the amount recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. Company has not recognised any amount as reversal of lease liability in the statement of profit and loss.

**1.21 Standard Issued but not yet effective**

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

## For the year 2020-21

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

(` in Lakh)									
Gross Carrying Amount	Freehold Land	Building	Electrical Equipment	Plant and Equipment	Office Equipment	Office Equipment Computers	Furniture and Fixture	Vehicles	Total
<b>As at 1st April 2019</b>	1,825.00	596.62	16.92	1,610.87	15.98	12.04	6.41	98.01	4,181.85
Additions	-	-	-	63.55	3.67	0.33	-	-	67.55
Disposals	-	-	-	-	-	-	-	-	-
<b>At 31st March, 2020</b>	<b>1,825.00</b>	<b>596.62</b>	<b>16.92</b>	<b>1,674.42</b>	<b>19.65</b>	<b>12.37</b>	<b>6.41</b>	<b>98.01</b>	<b>4,249.40</b>
Additions	53.55	146.33	3.58	128.53	2.95	0.50	-	83.88	419.33
Disposals	-	-	-	-	-	-	-	-	-
<b>At 31st March, 2021</b>	<b>1,878.55</b>	<b>742.95</b>	<b>20.50</b>	<b>1,802.95</b>	<b>22.60</b>	<b>12.87</b>	<b>6.41</b>	<b>181.89</b>	<b>4,668.72</b>
<b>Depreciation</b>									
At 1st April, 2019	-	78.18	4.50	336.95	9.85	3.89	1.89	47.06	482.32
Depreciation charge for the year	-	25.61	6.44	131.37	2.23	3.08	0.66	12.80	182.19
Disposals	-	-	-	-	-	-	-	-	-
<b>At 31 Mar 2020</b>	<b>-</b>	<b>103.79</b>	<b>10.94</b>	<b>468.32</b>	<b>12.08</b>	<b>6.97</b>	<b>2.55</b>	<b>59.86</b>	<b>664.51</b>
Depreciation charge for the year	-	25.99	5.05	137.33	1.97	2.69	0.63	12.09	185.75
Disposals	-	-	-	-	-	-	-	-	-
<b>At 31 Mar 2021</b>	<b>-</b>	<b>129.78</b>	<b>15.99</b>	<b>605.65</b>	<b>14.05</b>	<b>9.66</b>	<b>3.18</b>	<b>71.95</b>	<b>850.26</b>
<b>Net carrying value</b>									
<b>At 31st March, 2021</b>	<b>1,878.55</b>	<b>613.17</b>	<b>4.51</b>	<b>1,197.30</b>	<b>8.55</b>	<b>3.21</b>	<b>3.23</b>	<b>109.94</b>	<b>3,818.46</b>
At 31st March, 2020	1,825.00	492.83	5.98	1,206.10	7.57	5.40	3.86	38.15	3,584.89

Vehicles include vehicles amounting to ` 116.40 Lakhs (P.Y. ` 32.52 Lakhs) which are held in the name of Director of the Company.

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

(` in Lakh)	
Right to Use Assets	
<b>Gross Carrying Amount</b>	
<b>As at 1st April 2019</b>	-
Reclassified on account of adoption of Ind AS 116	61.84
Disposals	-
<b>At 31st March, 2020</b>	<u>61.84</u>
Reclassified on account of adoption of Ind AS 116	-
Disposals	-
<b>At 31st March, 2021</b>	<u><u>61.84</u></u>
<b>Depreciation</b>	
At 1st April, 2019	-
Depreciation charge for the year	27.48
Disposals	-
<b>At 31 Mar 2020</b>	<u>27.48</u>
Depreciation charge for the year	27.48
Disposals	-
<b>At 31 Mar 2021</b>	<u><u>54.97</u></u>
<b>Net carrying value</b>	
<b>At 31st March, 2021</b>	6.87
<b>At 31st March, 2020</b>	34.36

### 2.3 Capital work-in-progress

(` in Lakh)				
	Building	Plant and Equipment	Furniture & Fixture	Total
<b>As at 1st April 2019</b>	-	-	-	-
Additions	78.58	-	-	78.58
Disposals / Capitalised	-	-	-	-
<b>At 31st March, 2020</b>	<b>78.58</b>	<b>-</b>	<b>-</b>	<b>78.58</b>
Additions	67.75	268.09	27.48	363.33
Disposals / Capitalised	146.33	48.15	-	194.48
<b>At 31st March, 2021</b>	<b>-</b>	<b>219.94</b>	<b>27.48</b>	<b>247.43</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**  
(` in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>3 Non-current Investments</b>		
<b>Investment in equity instruments (Unquoted)</b> <b>(Valued at Fair value Through Profit or loss)</b>		
Equity shares of Precision Cast Alloy Pvt. Ltd. 47,500 (PY 47,500) Share of ` 10 each fully paid up	3.80	3.80
<b>Total</b>	<b>3.80</b>	<b>3.80</b>
AGGREGATE AMOUNT OF QUOTED INVESTMENTS	-	-
AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	3.80	3.80
<b>4 Other Non-current Financial Assets</b>		
Security deposits	0.52	0.52
<b>Total</b>	<b>0.52</b>	<b>0.52</b>
<b>5 Other Non-current Assets</b>		
Capital Advances	0.09	3.63
<b>Total</b>	<b>0.09</b>	<b>3.63</b>
<b>6 Inventories</b> (Refer Note No 1.11)		
Raw materials	685.68	187.92
Work-in-progress	909.76	1,130.40
Finished goods	890.37	666.39
Waste	6.39	7.60
Goods traded	11.15	-
Stores & spares, Fuel	36.09	45.18
<b>Total</b>	<b>2,539.44</b>	<b>2,037.49</b>
<b>7 Trade receivables</b>		
Trade receivables		
Secured - Considered Good	-	-
Unsecured - Considered Good	2,274.50	1,983.12
Trade Receivables which have significant increase in credit Risk	-	596.54
Trade Receivables -credit impaired	102.00	55.16
	<b>2,376.50</b>	<b>2,634.82</b>
Impairment Allowance (allowance for bad and doubtful debts)		
Secured - Considered Good	-	-
Unsecured - Considered Good	-	-
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables -credit impaired	102.00	55.16
<b>Total Trade Receivable</b>	<b>2,274.50</b>	<b>2,579.66</b>
No trade or other receivables are due from director or other officers of the company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.		
<b>Reconciliation of allowances for doubtful debts</b>		
Balance at the beginning of the year	55.16	31.17
Add: Allowance for the year	46.84	49.20
(Less): Actual Write off during the year( net of recovery)	-	25.21
<b>Balance at the end of the year</b>	<b>102.00</b>	<b>55.16</b>

		( ₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
<b>8</b>	<b>Cash and Cash Equivalents</b>		
	Cash on hand	3.66	2.16
	Balances with banks		
	(i) On current accounts	0.32	0.61
	(ii) Margin Money Fixed Deposits with maturity of less than 3 months	26.15	25.77
	<b>Total</b>	<b>30.13</b>	<b>28.54</b>
<b>9</b>	<b>Balances with banks other than Cash and Cash Equivalents</b>		
	Margin Money Fixed Deposits with maturity more than 3 months but less than or equal to 12 months	57.22	42.03
	<b>Total</b>	<b>57.22</b>	<b>42.03</b>
<b>10</b>	<b>Other Current Financial Assets (Unsecured, considered good unless otherwise stated)</b>		
	Security deposits	49.80	54.05
	Balances with Government Authorities	180.88	277.08
	Export Incentive Receivable	61.38	141.90
	Loans to Employees	5.31	2.33
	Interest accrued on Fixed Deposits	2.86	1.83
	MTM Gain on Derivative	1.80	-
	Other assets (includes other receivables, etc.)	52.38	80.49
	<b>Total</b>	<b>354.41</b>	<b>557.68</b>
<b>11</b>	<b>Other Current Assets</b>		
	Prepaid expenses	23.13	14.81
		<b>23.13</b>	<b>14.81</b>

( ` in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>12 Equity Share Capital</b>		
<b>Authorised</b>		
50,00,000 (March 31, 2020: 50,00,000) Equity Shares of ` 10/- each	<b>500.00</b>	500.00
<b>Issued, Subscribed and Fully Paid-up Equity Shares</b>		
48,88,300 (March 31, 2020: 48,88,300) Equity Shares of ` 10/- each	<b>488.83</b>	488.83
<b>Total Issued, Subscribed and Fully Paid-up</b>		
<b>Equity Share Capital</b>	<b><u>488.83</u></b>	<b><u>488.83</u></b>

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

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the period	<b>48,88,300</b>	<b>488.83</b>	48,88,300	488.83
Add: Issued shares during the year	-	-	-	-
Outstanding at the end of the period	<b>48,88,300</b>	<b>488.83</b>	48,88,300	488.83

**b. Terms/rights attached to Equity Shares**

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

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Ashokkumar Chhajer	<b>14,03,000</b>	<b>28.70%</b>	14,03,000	28.70%
Rishab Chhajer	<b>5,25,000</b>	<b>10.74%</b>	5,25,000	10.74%
Sushma Chhajer	<b>5,19,440</b>	<b>10.63%</b>	5,19,440	10.63%
Ratanchand Ashokkumar HUF	<b>4,15,800</b>	<b>8.51%</b>	4,15,800	8.51%

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

(` in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>13 Other Equity</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	4.30	4.30
Add: Amount transferred from surplus balance in the statement of P&L	-	-
	<u>4.30</u>	<u>4.30</u>
<b>Securities Premium Account</b>		
Balance as per the last financial statements	301.75	301.75
<b>Other Comprehensive Income</b>		
Balance as per last financial statements		
Revaluation of Land (net of deferred tax of ` 347.42 lakhs)	1,454.73	1,454.73
<b>Closing Balance</b>	<u>1,454.73</u>	<u>1,454.73</u>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as per last financial statements	1,494.40	1,278.67
Profit for the year	353.64	214.66
OCI for the year	0.44	1.07
<b>Closing Balance</b>	<u>1,848.48</u>	<u>1,494.40</u>
<b>Total Other Equity</b>	<u><u>3,609.26</u></u>	<u><u>3,255.18</u></u>

**14 Non-current Borrowings**

**Term Loan**

**From Bank - Secured**

Term Loan	513.69	-
Against hypothecation of vehicle	64.27	10.85

**Other Loans**

Loans from directors (unsecured)	377.52	341.94
Inter Corporate Loans (unsecured)	611.33	738.65
	<u>1,566.81</u>	<u>1,091.44</u>

**The above amount includes**

Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note No. 20)	109.12	7.07
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<b>Total</b>	<u><u>1,457.69</u></u>	<u><u>1,084.37</u></u>
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- a. Term loans from State Bank of India are taken during the financial year 2020-21 and carries interest 9.15 % p.a.  
The loans are repayable in 54 monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of Solar Power Project. (Also guaranteed by Managing Director)

**B Repayment Schedule of Loans**

	Sanctioned Terms Months	As at 31.03.2021 (` in Lakhs)	As at 31.03.2020	Rate of Interest	No. of Installments outstanding	Installment Amount (` in Lakhs)
Vehicle Loans 1	37	3.77	10.91	8.71%	6	0.64
Vehicle Loan 2	36	60.50	-	7.80%	30	2.23

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

		( ₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
<b>15</b>	<b>Other Financial Liabilities (Non-current)</b>		
	Lease liability	-	7.72
	<b>Total</b>	<u>-</u>	<u>7.72</u>
<b>16</b>	<b>Non-current Provisions</b>		
(a)	<b>Provision for Employee Benefits</b>		
	Compensated Absences	5.69	5.59
	Gratuity (Refer Note No. 38)	21.96	19.35
	<b>Total</b>	<u>27.65</u>	<u>24.94</u>
<b>17</b>	<b>Income tax</b>		
A.	<b>Income tax recognised in Statement of Profit or Loss:</b>		
	<b>Current Tax:</b>		
	Current tax	138.62	96.20
	Tax in respect of earlier year	(3.51)	2.77
	<b>Total Current Tax</b>	<u>135.11</u>	<u>98.97</u>
	<b>Deferred Tax:</b>		
	Deferred tax	(17.48)	(34.01)
	<b>Total deferred tax</b>	<u>(17.48)</u>	<u>(34.01)</u>
	<b>Total tax expense/(benefit)</b>	<u>117.63</u>	<u>64.96</u>
	<b>Effective income tax rate</b>	<b>24.96%</b>	<b>23.23%</b>
B.	<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:</b>		
	Profit/ (loss) before tax	471.27	279.62
	Enacted tax rate in India (Normal rate)	25.17%	25.17%
	<b>Expected income tax expense/ (benefit) at statutory tax rate</b>	<u>118.61</u>	<u>70.37</u>
	Expenses disallowed for tax purposes	1.30	2.28
	Tax pertaining to prior years	(3.51)	2.77
	Other adjustments	1.23	(10.46)
	<b>Tax expense for the year</b>	<u>117.63</u>	<u>64.96</u>



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

(` in Lakhs)

<b>Movement during the year ended March 31, 2021</b>	<b>As at April 1, 2020</b>	<b>Credit/ (charge) in statement of Profit and Loss</b>	<b>Credit/ (charge) in Other Comprehensive Income</b>	<b>MAT Utilization / Short / Excess Provision</b>	<b>As at March 31, 2021</b>
<b>Deferred Tax Asset/(Liabilities)</b>					
Depreciation	196.66	3.73	-	-	192.93
Revaluation on Land	344.98	0.83	-	-	344.15
Others	(0.53)	(0.30)	-	-	(0.23)
<b>Total</b>	<b>541.11</b>	<b>4.26</b>	<b>-</b>	<b>-</b>	<b>536.85</b>
Expenditure allowed in the year of payment					
	9.78	1.42	-	-	11.20
Others	13.87	11.79	-	-	25.66
<b>Total</b>	<b>517.46</b>	<b>17.47</b>	<b>-</b>	<b>-</b>	<b>499.99</b>
<b>Movement during the year ended March 31, 2020</b>	<b>As at April 1, 2019</b>	<b>Credit/ (charge) in statement of Profit and Loss</b>	<b>Credit/ (charge) in Other Comprehensive Income</b>	<b>MAT Utilization / Short / Excess Provision</b>	<b>As at March 31, 2020</b>
<b>Deferred Tax Asset/(Liabilities)</b>					
Depreciation	225.01	28.35	-	-	196.66
Revaluation on Land	345.60	0.62	-	-	344.98
Others	-	0.53	-	-	(0.53)
<b>Total</b>	<b>570.61</b>	<b>29.50</b>	<b>-</b>	<b>-</b>	<b>541.11</b>
Expenditure allowed in the year of payment					
	10.47	(0.69)	-	-	9.78
Others	8.66	5.21	-	-	13.87
<b>Total</b>	<b>551.48</b>	<b>34.02</b>	<b>-</b>	<b>-</b>	<b>517.46</b>

The Company has adopted the option available under Section 115BAA of the Income-tax Act, 1961 as per the Taxation Laws (Amendment) Act, 2019 dated December 11, 2019. Accordingly, deferred tax liabilities have been recomputed and impact of this has been recognized in the year ended on March 31, 2020. This has resulted in reversal of deferred tax expense of Rs. 14.13 Lakhs on account of re-measurement of deferred tax liability as at April 1, 2019.

( ₹ in Lakhs)		
	As at March 31, 2021	As at March 31, 2020
<b>18 Current Borrowings</b>		
<b>From Bank - Secured</b>		
Cash credit/ packing credit/ S.L.C	1,849.78	1,696.74
<b>Unsecured</b>		
Inter Corporate Loans	11.45	1.34
<b>Total</b>	<b>1,861.23</b>	<b>1,698.08</b>

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 @ 9.15 % p. a. ( Also guaranteed by Managing Director).

( ₹ in Lakhs)		
	As at March 31, 2021	As at March 31, 2020
<b>19 Trade and other payables</b>		
Total outstanding dues of Micro Enterprises & Small Enterprises (refer note No. 42a)	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	991.80	1,493.13
<b>Total</b>	<b>991.80</b>	<b>1,493.13</b>
<b>20 Other Financial Liabilities (Current)</b>		
Current maturities of long-term borrowings (Secured) (Refer Note No. 14)	109.12	7.07
Statutory Liabilities	26.11	19.73
Interest accrued	0.32	0.06
MTM loss on Derivative	-	50.69
Lease Liability	7.72	28.68
Other Liability	23.63	20.50
<b>Total other financial liabilities</b>	<b>166.90</b>	<b>126.73</b>
<b>21 Other Current Liabilities</b>		
Contract Liabilities (Advance from Customers)	70.22	97.33
Payables for capital goods	32.85	2.15
Other Liability	85.32	72.78
<b>Total</b>	<b>188.39</b>	<b>172.26</b>
<b>22 Current Provisions</b>		
<b>Provision for Employee Benefits</b>		
Compensated Absences	1.54	1.38
Gratuity (Refer Note No. 38)	6.18	4.83
<b>Total</b>	<b>7.72</b>	<b>6.21</b>
<b>23 Liabilities for Current Tax (Net)</b>		
Tax Balances: (Provisions Less Advance Tax)	56.54	91.08
<b>Total</b>	<b>56.54</b>	<b>91.08</b>

		( ` in Lakhs)	
		For the year	
		2020-21	2019-20
<b>24A Revenue from operations</b>			
A	Sale of Products		
	i) Finished goods		
	Export	4,946.96	5,660.66
	Domestic	8,433.70	7,358.22
	<b>Sub Total (i)</b>	<b>13,380.66</b>	13,018.88
	(ii) Traded Goods		
	Export	-	108.87
	Domestic	1,035.45	648.17
	<b>Sub Total (ii)</b>	<b>1,035.45</b>	757.04
	<b>Sub Total (i + ii)</b>	<b>14,416.11</b>	<b>13,775.92</b>
B	<b>Other Operating Revenue</b>		
	Jobwork Income	19.33	28.64
	Exports Incentive	204.64	361.89
	Sale of Scrap	24.43	56.76
	GST Refund	94.53	85.41
	<b>Other Operating Revenue</b>	<b>342.93</b>	532.70
	<b>Revenue from operations</b>	<b>14,759.04</b>	<b>14,308.62</b>
	<b>Total (A+B)</b>	<b>14,759.04</b>	<b>14,308.62</b>

#### 24B Revenue from contracts with customers (refer Note No 1.6)

##### 24.1 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

14,416.11

13,775.92

Other Operating income

342.93

532.70

**Total revenue from contracts with customers**

**14,759.04**

**14,308.62**

Sales of Products

In India

9,812.08

8,647.96

Outside India

4,946.96

5,660.66

**Total revenue from contracts with customers**

**14,759.04**

**14,308.62**

Timing of revenue recognition

Goods transferred at a point in time

14,759.04

14,308.62

Services transferred over time

-

-

**Total revenue from contracts with customers**

**14,759.04**

**14,308.62**

##### 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.

##### 24.2 Contract Balances

Trade receivables

2,274.50

2,579.66

Contract liabilities

70.22

97.33

Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days, usually backed up by financial arrangements. In March 2021, ` 46.84 Lakh (March 2020: ` 49.20 Lakh) was recognised as provision for expected credit losses on trade receivables. Contract liabilities include short-term advances received from customers against supply of Goods. The outstanding balances of these accounts decreased in 2020-21 due to continuous performance obligations satisfied.

	( ₹ in Lakhs)	
	Year ended As at March 31, 2021	Year ended As at March 31, 2020
Set out below is the amount of revenue recognised from :-		
Amounts included in contract liabilities at the beginning of the year	97.33	291.85
Performance obligations satisfied in previous years	88.81	291.50
<b>24.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	14,771.53	14,343.94
Adjustments :-		
Less: Shortage/Quality Claims	<u>12.49</u>	<u>35.32</u>
Revenue from contract with customers	<u>14,759.04</u>	<u>14,308.62</u>
<b>24.4 Performance obligation</b>		
Information about the Company's performance obligations are summarised below:		
<b>Plastic Packing Material</b>		
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.		
<b>24.5 The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2021.</b>		
Within one year	-	-
More than one year	8.52	0.35
		( ₹ in Lakhs)
	Year ended As at March 31, 2021	Year ended As at March 31, 2020
<b>25 Other income</b>		
Foreign Exchange Fluctuation (Net)	34.46	-
Interest Income on:		
Bank deposits	3.75	5.42
Other financial income	-	7.00
	<u>38.21</u>	<u>12.42</u>
<b>26 Cost of Materials Consumed</b>		
<b>Raw Materials</b>		
Inventory at the beginning of the year	187.92	300.35
Add: Purchases	9,267.49	8,842.35
Less: Inventory at the end of the year	<u>(631.58)</u>	<u>(187.92)</u>
Total Cost of Raw Material Consumed	<u>8,823.83</u>	<u>8,954.78</u>
<b>27 Purchase of traded goods</b>		
Purchase of Stock-in trade	<u>948.77</u>	<u>659.00</u>
	<u>948.77</u>	<u>659.00</u>

	( ₹ in Lakhs)	
	Year ended As at March 31, 2021	Year ended As at March 31, 2020
<b>28 Changes in inventories of finished goods, Stock-in-Trade and work-in- progress Inventories at the Closing of the year</b>		
Work-in-Progress	909.76	1,130.40
Finished Goods	890.38	666.39
Waste	6.39	7.60
<b>Sub Total (i)</b>	<b>1,806.53</b>	<b>1,804.39</b>
<b>Inventories at the Beginning of the year</b>		
Work-in-Progress	1,130.40	1,194.34
Finished Goods	666.39	987.00
Waste	7.60	39.89
<b>Sub Total (ii)</b>	<b>1,804.39</b>	<b>2,221.23</b>
<b>Sub Total (ii-i)</b>	<b>(2.14)</b>	<b>416.84</b>
<b>29 Employee Benefit Expenses</b>		
Salaries, wages and bonus	357.82	314.50
Contribution to provident fund	4.52	5.93
Gratuity expense (refer note 38)	5.04	5.18
Leave Encashment Expense	0.26	1.52
Staff welfare expenses	7.66	4.37
<b>Total</b>	<b>375.30</b>	<b>331.50</b>
<b>30 Finance costs</b>		
<b>a. Interest Expenses</b>		
Interest on Fixed Loans / Term Loan	10.71	20.08
Interest on Working Capital Loans	60.67	91.22
Interest on others	91.39	183.54
Interest on Income Tax	5.13	2.81
Interest on Indirect Tax	-	0.72
<b>b. Other Borrowing costs</b>		
Bank & other charges	41.23	35.69
	<b>209.13</b>	<b>334.06</b>

	( ` in Lakhs)	
	Year ended As at March 31, 2021	Year ended As at March 31, 2020
<b>31 Other Expenses</b>		
Consumption of stores and spares	248.98	189.60
Installation Expense	22.96	32.24
Labour & Process charges	1,489.02	1,263.89
Power and fuel	692.72	748.33
Rent	17.46	20.37
Freight and forwarding charges	468.60	436.52
Insurance	26.20	41.41
<b>Repairs and maintenance</b>		
Plant and machinery	33.40	35.81
Buildings	32.76	11.88
Others	8.04	11.46
Bad debts/advances written off	449.29	25.21
Less: provided in earlier year	-	(25.21)
Provision for expected credit loss	46.84	49.21
<b>Payment to Auditor</b>		
Audit fee	2.30	2.30
Tax Audit Fee	1.09	1.09
Limited review & Certification	0.77	0.77
Foreign Exchange Fluctuation (Net)	-	26.03
Commission on sales	30.76	1.39
Legal & professional expenses	39.88	64.24
Travelling Expense	0.72	40.53
Miscellaneous expenses	146.06	158.49
	<u>3,757.85</u>	<u>3,135.56</u>

**32 Contingencies and Commitments (Refer Note No. 1.13)****a. Contingent liabilities not provided for in respect of:**

		( ` in Lakh)	
Sr. No	Particulars	31st March, 2021	31st March, 2020
(a)	Claims against the Company /disputed liabilities not acknowledged as debts	438.69	438.69
(b)	Disputed Statutory Claims	-	-
	<b>TOTAL</b>	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.

**b. Commitments**

Estimated amount of contract remaining to be executed in Capital Account (net of advances) not provided for ` 79.56 Lakh (P.Y ` 3.72 Lakh).

### 33 Fair Value Measurement

Financial Instrument by category and hierarchy

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

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

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

For the financial assets and liabilities that are measured at fair values, the carrying amount are equal to the fair value.

#### Accounting classification and fair values

(` in Lakhs)

Financial Assets & Financial Liabilities	As at March 31, 2021				As at March 31, 2020			
	Fair value Through Profit or loss/ Other Comprehensive Income	Amortised Cost	Total Carrying Value	Total Fair Value	Fair value Through Profit or loss/ Other Comprehensive Income	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>								
Cash & Cash Equivalents (Refer note no 8)	-	30.13	30.13	30.13	-	28.54	28.54	28.54
Bank balances other than cash and cash Equivalents (Refer note no 9)	-	57.22	57.22	57.22	-	42.03	42.03	42.03
Investments (Refer note no 3)	3.80	-	3.80	3.80	3.80	-	3.80	3.80
Trade receivables (Refer note no 7)	2,274.50	-	2,274.50	2,274.50	2,579.66	-	2,579.66	2,579.66
Other Financial Assets (Refer note no 4 & 10)	354.93	-	354.93	354.93	558.20	-	558.20	558.20
<b>Total</b>	<b>2,633.23</b>	<b>87.35</b>	<b>2,720.58</b>	<b>2,720.58</b>	<b>3,141.66</b>	<b>70.57</b>	<b>3,212.23</b>	<b>3,212.23</b>
<b>Financial Liabilities</b>								
Borrowings (Refer note no 14 & 18)	-	3,318.92	3,318.92	3,318.92	-	2,782.45	2,782.45	2,782.45
Trade Payable (Refer note no 19)	-	991.80	991.80	991.80	-	1,493.13	1,493.13	1,493.13
Other Financial Liabilities (Refer note no 15 & 20)	-	166.90	166.90	166.90	-	134.45	134.45	134.45
<b>Total</b>	<b>-</b>	<b>4,477.62</b>	<b>4,477.62</b>	<b>4,477.62</b>	<b>-</b>	<b>4,410.03</b>	<b>4,410.03</b>	<b>4,410.03</b>

#### Fair value Hierarchy

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

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

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

( ₹ in Lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	<b>Assets</b>					
Investment (other than investment in subsidiaries, Joint Venture & Associates)	-	-	3.80	-	-	3.80
<b>Total</b>	-	-	3.80	-	-	3.80

## Significant Unobservable Inputs Used In Level 3 Fair Values

As at March 31, 2021	Significant unobservable inputs	Sensitivity of input to fair value measurement
Non-current investments in unquoted equity shares	Discounted Cash Flow Discount Rate : 11%	1 % increase in discount rate will have decrease in investment by ₹ 0.11 lakhs and 1% decrease in discount rate will have an equal but opposite effect.

**34 Capital risk Management**

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

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

**35 Financial risk management**

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

**A. Management of Liquidity Risk**

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

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

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



Exposure as at 31st March 2021

(` in Lakhs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	1,861.23	1,457.69	-	3,318.92
Trade Payable	991.80	-	-	991.80
Other Financial Liabilities	166.90	-	-	166.90
<b>Total Financial Liabilities</b>	<b>3,019.93</b>	<b>1,457.69</b>	<b>-</b>	<b>4,477.62</b>
As at March 31, 2020				
<b>Financial Liabilities</b>				
Borrowings	1,698.08	1,084.37	-	2,782.45
Trade Payable	1,493.13	-	-	1,493.13
Other Financial Liabilities	126.73	7.72	-	134.45
<b>Total Financial Liabilities</b>	<b>3,317.94</b>	<b>1,092.09</b>	<b>-</b>	<b>4,410.03</b>

### Financial Arrangements

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

(` in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Expiring within one year (Bank overdraft and other facilities)	152.17	274.89
Expiring beyond one year (bank loans)	-	-

## B. Management of Market Risk

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

- Foreign Currency risk
- Equity risk
- Interest rate risk

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

### (i) Foreign Currency risk

#### Derivative Instruments and unhedged foreign currency exposure

##### (a) Derivatives outstanding as at reporting date

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Currency	Amount	Currency	Amount
Forward contract to sell USD	USD	31.40	USD	23.53
Forward contract to sell EURO	EURO	-	EURO	-
Forward contract to sell GBP	GBP	-	GBP	0.14

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

#### Currency exposure as at 31<sup>st</sup> March 2021

Particulars	USD	EURO	Other
Trade receivables	-	-	-
Trade Payable	-	-	-
Cash and Cash Equivalents	-	-	-

**Currency exposure as at 31<sup>st</sup> March 2020**

<b>Particulars</b>	<b>USD</b>	<b>EURO</b>	<b>Other</b>
Trade receivables	-	-	-
Trade Payable	1.07	-	-
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

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2021</b>		<b>For the year ended 31<sup>st</sup> March, 2020</b>	
	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
	<b>increase</b>	<b>decrease</b>	<b>increase</b>	<b>decrease</b>
USD	-	-	(4.02)	4.02
EURO	-	-	-	-
<b>Increase/ decrease in profit &amp; loss</b>	-	-	(4.02)	4.02

**(ii) Price Risk**

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

**Sensitivity Analysis**

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

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

<b>Particulars</b>	<b>( in Lakhs)</b>	
	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>
BSE Index 100 - Increase by 5%	-	-
BSE Index 100 - Decrease by 5%	-	-

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

**(iii) Interest rate risk**

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

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

Exposure to interest rate risk

Interest rate sensitivity

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

Particulars	(` in Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
50 bp decrease would increase the profit before tax by	9.25	8.48
50 bp increase would decrease the profit before tax by	9.25	8.48

### C Management of Credit Risk

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

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

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

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

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

Particulars	(` in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>0-2 months</b>	1,574.35	944.43
<b>2-4 months</b>	203.94	440.68
<b>4-6 months</b>	32.47	421.93
<b>6-12 months</b>	410.10	176.08
<b>above 12 months</b>	53.64	596.54
<b>Total</b>	<b>2,274.50</b>	<b>2,579.66</b>

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

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

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

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

Particulars	For the year year ended 31st March 2021	For the year year ended 31st March 2020
Net Profit as per Statement of Profit & Loss	353.64	214.67
No. of weighted average outstanding Equity Shares	48,88,300	48,88,300
Earning per Equity Share of ₹ 10/- each (Basic & Diluted)	7.23	4.39

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

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

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

SN	Name	Relationship	Manner
1	Ashok Chhajer	Managing Director (Key management personnel)	Key Managerial Personnel & Personnel exercising more than 20% voting power
2	Rishab Chhajer	Joint Managing Director (Key management personnel)	Key Managerial Personnel & Relative as Son of Shri Ashok Chhajer
3	Kashyap R Mehta	Director	Key Managerial Personnel
4	Raichand Golchha	Key Managerial Person	Executive Officer [Chief Financial Officer] (Up to October 12, 2020)
5	Jhanvi Jansari	Key Managerial Person	Executive Officer [Chief Financial Officer] (From October 13, 2020)
6	Sejal Kanabi	Key management personnel	Executive Officer [Company Secretary]
7	Typhoon financial service Limited	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
8	Worldwide impex Pvt. Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
9	APA Finance Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
10	Technomod Prop. P. Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits
11	Indian Agrotech Ltd.	Enterprise significantly influenced by Key Managerial Person	Key Managerial Personnels sharing more than 20% in profits

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

(` in Lakhs)

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Directors
<b>(a) Managerial Remuneration</b>					
Ashok Chhajer	26.40	26.40	-	-	-
	P.Y. 26.40	26.40	-	-	-
Rishab Chhajer	36.00	36.00	-	-	-
	P.Y. 15.00	15.00	-	-	-
Raichand Golchha	1.88	1.88	-	-	-
	P.Y. 4.65	4.65	-	-	-
Jhanvi Jansari	3.19	3.19	-	-	-
	P.Y. -	-	-	-	-
Sejal Kanabi	3.58	3.58	-	-	-
	P.Y. 3.16	3.16	-	-	-
<b>(b) Legal and Professional fees</b>					
Mr. Kashyap Mehta	2.15	2.15	-	-	-
	P.Y. 2.06	2.06	-	-	-
<b>(c) Interest expense</b>					
Ashok Chhajer	21.64	21.64	-	-	-
	P.Y. 21.25	21.25	-	-	-
Rishab Chhajer	1.93	1.93	-	-	-
	P.Y. 0.78	0.78	-	-	-
Typhoon Financial Service Limited	9.51	-	-	9.51	-
	P.Y. 6.48	-	-	6.48	-
Worldwide Impex Pvt. Ltd.	8.00	-	-	8.00	-
	P.Y. 9.85	-	-	9.85	-
APA Finance Ltd.	0.03	-	-	0.03	-
	P.Y. -	-	-	-	-
Indian Agrotech Ltd.	2.14	-	-	2.14	-
	P.Y. 1.91	-	-	1.91	-
<b>Loan Taken/(Given)</b>					
Ashok Chhajer	67.45	67.45	-	-	-
	P.Y. 129.70	129.70	-	-	-
Rishab Chhajer	19.80	19.80	-	-	-
	P.Y. 14.55	14.55	-	-	-
Typhoon Financial Service Ltd.	130.48	-	-	130.48	-
	P.Y. 96.00	-	-	96.00	-
Worldwide Impex Pvt. Ltd.	99.54	-	-	99.54	-
	P.Y. 48.86	-	-	48.86	-
APA Finance Ltd.	15.00	-	-	15.00	-
	P.Y. -	-	-	-	-
<b>(i) Loan Repaid/ (Recovered)</b>					
Ashok Chhajer	64.47	64.47	-	-	-
	P.Y. 139.12	139.12	-	-	-
Rishab Chhajer	9.00	9.00	-	-	-
	P.Y. 5.08	5.08	-	-	-
Typhoon Financial Service Ltd.	149.21	-	-	149.21	-
	P.Y. 101.55	-	-	101.55	-

( ` in Lakhs)

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Directors
Worldwide Impex Pvt. Ltd.	92.45	-	-	92.45	-
P.Y.	96.03	-	-	96.03	-
Indian Agrotech Ltd.	1.20	-	-	1.20	-
P.Y.	0.19	-	-	0.19	-
<b>(d) Balance Outstanding as at 31st March 2021</b>					
Ashok Chhajer	340.83	340.83	-	-	-
P.Y.	317.84	317.84	-	-	-
Rishab Chhajer	36.69	36.69	-	-	-
P.Y.	24.10	24.10	-	-	-
Typhoon Financial Service Limited	62.03	-	-	62.03	-
P.Y.	72.20	-	-	72.20	-
Worldwide Impex Pvt. Ltd.	64.24	-	-	64.24	-
P.Y.	49.75	-	-	49.75	-
APA Finance Ltd.	15.03	-	-	15.03	-
P.Y.	-	-	-	-	-
Indian Agrotech Ltd.	21.53	-	-	21.53	-
P.Y.	20.74	-	-	20.74	-
<b>e) Bank Guarantee Given by</b>					
Ashok Chhajer	2,551.00	2,551.00	-	-	-
P.Y.	2,000.00	2,000.00	-	-	-

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

( ` in lakhs)

Nature of Benefits	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Short-term employee benefits	71.06	49.22
Post-employment gratuity benefits**	-	-
<b>Total</b>	<b>71.06</b>	<b>49.22</b>

Note:

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

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

As per Actuarial Valuation as on 31st March, 2021 and 31st March, 2020 and recognised in the financial statements in respect of Employee Benefit Schemes:

A. Amount recognised in the Balance Sheet

Particulars	(` in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Gratuity:</b>		
Present value of plan liabilities	28.14	24.18
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	28.14	24.18
Unfunded plans	-	-
<b>Net plan liability/ (Asset)*</b>	<b>28.14</b>	<b>24.18</b>

B. Movements in plan assets and plan liabilities

Gratuity:	(` in Lakhs)					
	For the year ended 31st March, 2021			For the year ended 31st March, 2020		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
<b>As at 1st April</b>	-	24.18	24.18	-	<b>22.60</b>	22.60
Current service cost	-	3.38	3.38	-	3.43	3.43
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding actual return on plan assets	-	-	-	-	-	-
Actual return on plan asset	-	-	-	-	-	-
Interest cost	-	1.66	1.66	-	1.75	1.75
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial Assumptions	-	0.18	0.18	-	1.79	1.79
Actuarial (gain)/loss arising from experience adjustments	-	(0.76)	(0.76)	-	(3.22)	(3.22)
Employer contributions	-	-	-	-	-	-
Benefit payments	-	(0.50)	(0.50)	-	(2.17)	(2.17)
<b>As at 31st March</b>	-	<b>28.14</b>	<b>28.14</b>	-	<b>24.18</b>	<b>24.18</b>

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

**Defined benefit obligation and employer contribution**

Particulars	(` in Lakhs)	
	Gratuity	
	As at 31st March, 2021	As at 31st March, 2020
Active members	87	76

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

<b>Gratuity</b>	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>
Current service cost	3.38	3.43
Finance cost/(income)	1.66	1.75
Asset/(Liabilities) recognised in Balance Sheet*	-	-
<b>Net impact on the Profit / (Loss) before tax</b>	<b>5.04</b>	<b>5.18</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding actuarial return on plan assets		
Actuarial gains/(losses) arising from changes in demographic		
Actuarial gains/(losses) arising from changes in		
financial assumption	0.59	1.43
Experience gains/(losses) arising on experience adjustments		
Benefit plan liabilities		
<b>Net Gain recognised in the Other Comprehensive Income before tax</b>	<b>0.59</b>	<b>1.43</b>

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

**D. Assets** ( ₹ in Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Gratuity:</b>		
<b>Unquoted</b>		
Government Debt Instruments	-	-
Corporate Bonds	-	-
Insurer managed funds	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**E. Assumptions**

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

The significant actuarial assumptions were as follows:

<b>Gratuity:</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Financial Assumptions</b>		
Discount rate	<b>6.87%</b>	7.76%
Salary Escalation Rate #	<b>6.00%</b>	6.00%
Attrition Rate	<b>2.00%</b>	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 Lakhs)

Gratuity :	As at March 31, 2021			As at March 31, 2020		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Discount rate	100 bps	(2.28)	2.72	100 bps	(1.99)	2.37
Salary Escalation Rate	100 bps	2.71	(2.32)	100 bps	2.36	(2.02)
Attrition Rate	100 bps	0.06	(0.09)	100 bps	0.08	(0.10)

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

## G. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:

Gratuity :	(₹ in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
1st following year	6.18	4.83
2nd following year	2.22	0.98
3rd following year	1.06	3.14
4th following year	1.22	1.01
5th following year	1.46	1.12
Thereafter	7.26	6.79

### Risk Exposure - Asset Volatility

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

### (iii) Leave obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of ₹ 7.23 Lakh - [31st March, 2020: ₹ 6.98 Lakh] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

### (iv) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 4.52 Lakh (PY: ₹ 5.93 Lakh).

## 39 Disclosure as per IND AS 116:

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows:

Particulars	(` in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	34.36	-
Reclassified on account of adoption of Ind AS 116	-	61.84
Additions	-	-
Chnages on account of lease modification	-	-
Depreciation	(27.49)	(27.49)
<b>Closing Balance</b>	<b>6.87</b>	<b>34.36</b>

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, 2021 is as follows :

Particulars	(` in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Current lease Liabilities	7.72	28.68
Non-current lease Liabilities	-	7.72
<b>Total</b>	<b>7.72</b>	<b>36.40</b>

The movement in lease liabilities during the year ended March 31, 2021 is as follows:

Particulars	(` in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	36.40	-
Reclassified on account of adoption of Ind AS 116	-	61.84
Finance cost accrued during the period	2.82	6.06
Chnages on account of lease modification	-	-
Payment of lease liabilities	(31.50)	(31.50)
Translation difference	-	-
<b>Closing Balance</b>	<b>7.72</b>	<b>36.40</b>

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows :

Particulars	(` in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Less than one year	7.72	28.68
One to five years	-	7.72
<b>Total</b>	<b>7.72</b>	<b>36.40</b>

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.

Rental expense recorded for short-term leases was ` 17.46 Lacs for the year ended March 31, 2021 and ` 20.37 Lacs for the year ended March 31, 2020.

40 Revenue from operations for the year ending March 31, 2021 includes ` 94.53 lakh (PY : ` 85.41 lakh) relating to Reimbursement of SGST which is recognized on receipt of "Eligibility Certificate" for application made under Gujarat Textile Policy, 2012.

- 41 a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 Based on the information available with the company there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2021. Hence, the disclosure relating to amounts unpaid as at the year end to gather interest paid / payable under this Act have not been given. This is relied upon by the auditors.
- b) Trade payables includes acceptances of ` Nil Lakh (PY ` 311.59 Lakh).
- 42 The management believes, unsecured trade receivables amounting to ` 449.29 lakh outstanding for more than two years is now not receivable. The same has been written off during the year ended March 31, 2021, under "Other expenses" in Statement of Profit and loss.
- 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 The Company continues to monitor the impact of Covid-19 on its business, including its impact on customers, supply-chain, employees and logistics. The company has made assessment of recoverability of company's assets such as Trade receivables, inventories, etc. using reasonably available information, estimates and judgements and has determined there would be no material adjustment required. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The impact thereof might be different from that estimated as at the date of approval of financial statements by board of directors. The company will continue to closely monitor changes to future economic conditions.

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

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

**Place : Ahmedabad  
Date : June 30, 2021**

**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]**

**Place : Ahmedabad  
Date : June 30, 2021**

**Rishab Chhajer  
[Jt. Managing Director]  
[DIN:05184646]**

**CS Sejal Kanbi  
[Company Secretary]**

**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.

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

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.