
REPORT ON CORPORATE GOVERNANCE
INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:**a) Composition and Category of Directors as on 31st March, 2014 and also at the date of this report:**

Name of Directors	Category of Directorship	No. of other Directorships *	Committee (1) Membership/ (2) Chairmanship in other companies	No. of Board Meetings attended from 1-4-2013 to 31-3-2014	Attendance at the AGM held on 28-09-2013 Yes(Y)/No(N)
Ashok Chhajer Managing Director	Promoter-Executive	3	1	10	Y
Rishab Chhajer Joint Managing Director	Promoter-Executive	—	—	10	Y
Binod Chhajer	Promoter-Non- Executive	—	—	10	N
Kashyap R. Mehta	Independent Non- executive	3	3	10	Y
Anilkumar Bhandari	Independent Non- executive	2	1	10	Y
Alpesh R. Tripathi#	Independent Non- executive	—	1	10	Y

* Private companies excluded.

ceased to be Director w.e.f. 29th July, 2014 upon Resignation.

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

Name of Director	Mr. Binod Chhajjer	Mr. Kashyap R. Mehta	Mr. Anilkumar Bhandari	Mr. Ashok Chhajjer
Date of Birth	30-07-1957	07-03-1960	24-02-1968	02-02-1958
Date of Appointment	03-04-1990	23-09-1999	13-02-2012	01-10-2004
Qualifications	B.Com	B.Com, FCS, ACIS (London), ACMA	B.Sc., LL.B.	B.Com
Expertise in specific functional areas	Finance, Marketing & Management	Corporate Laws & Finance	Banking, Finance & Corporate Strategy	Management & Administration
List of Public Limited Companies in which Directorships held	NIL	Prism Finance Ltd.; Typhoon Financial Services Ltd.; Som Shiva Impex Ltd.	Indo Credit Capital Limited; National Hotels Limited	APA Finance Ltd.; Typhoon Financial Services Ltd.; Indian Agrotech Ltd.
List of Private Limited Companies in which Directorships held	Rishabh Business Pvt. Ltd.; Rishbhi Tradeimpex Pvt. Ltd.; Calcutta Packaging Pvt. Ltd.	Innovate Securities Pvt. Ltd.; Innovate Derivatives Pvt. Ltd.; Samurai Holdings Pvt. Ltd.	Rena Issance Fiscal Services Private Limited	Woodlands Consultancy Pvt. Ltd.; Flora Commerce Pvt. Ltd.; Technomod Properties Pvt. Ltd.; Rishabh Business Pvt. Ltd.; Ethnic Apparels Private Limited; Worldwide Impex Pvt. Ltd.; Castle Housing Development Pvt. Ltd.; Bosco Chemtex Pvt. Ltd.
Chairman/Member of the Committees of the Board of Directors of our Company	Audit Committee; Nomination & Remuneration Committee; and Stakeholders' Relationship Committee	Audit Committee, Nomination & Remuneration Committee; and Stakeholders' Relationship Committee	Audit Committee; and Nomination & Remuneration Committee	NIL
Chairman/Member of the Committees of Directors of other Companies	NIL	Prism Finance Limited; Typhoon Fin.Ser.Ltd. Som Shiva (Impex)Ltd.	Indo Credit Capital Limited	Typhoon Financial Services Ltd.
Shareholding in the Company	NIL	NIL	NIL	13,92,000 Equity Shares

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors for a period from 1st April, 2013 to 31st March, 2014 were held on 15-04-2013, 30-05-2013, 28-06-2013, 16-07-2013, 14-08-2013, 28-10-2013, 12-11-2013, 03-12-2013, 13-02-2014 and 21-03-2014.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Anilkumar Bhandari	All members are Non-executive. Chairman is independent Director and majority is independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s), which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All the members were present at the meeting held in 2013-14 on : 30-05-2013, 14-08-2013, 12-11-2013 & 13-02-2014.
Binod Chhajer			
Kashyap R. Mehta			

4. NOMINATION & REMUNERATION COMMITTEE:

The Board 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.

The Committee comprises the following Directors as members:

1. Anilkumar Bhandari, Chairman - Non-executive Independent
2. Mr. Binod Chhajer, Member - Non-executive
3. Mr. Kashyap R. Mehta, Member - Non-executive Independent

All the members attended the meetings held in 2013-14 on 30-05-2013 and 12-11-2013.

Details of remuneration paid:

1. The Company paid Managerial Remuneration of ` 19.80 lacs to Managing Director/ Joint Managing Director during the year 2013-14.
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective redressal of the complaints of the stakeholders such as Dematerialisation, Share Transfer, Non receipt of Balance Sheet, Dividend Warrants etc.

Mr. Binod Chhajer, Director and Mr. Kashyap R. Mehta, Director are the Members of the Committee.

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2014.

Mr. Ashok Chhajer, Managing Director is the Compliance Officer for the above purpose.

6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2010-2011	24-09-2011	12.00 Noon.	Plot No.431, Santej-Vadsar Road, Village: Santej, Taluka : Kalol-382 721, Dist : Gandhinagar.
2011-2012	27-09-2012	12.00 Noon.	
2012-2013	28-09-2013	12.00 noon	

Pursuant to the provisions of Section 192 A of the Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.

7. DISCLOSURES:

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c) Code of Conduct:
The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.
- d) Prohibition of Insider Trading:
In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

8. MEANS OF COMMUNICATIONS:

- a) In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati).
Results are also displayed on Company's website www.gujaratcraft.com.
- b) During the year ended on 31st March, 2014 no presentations were made to Institutional Investors or analyst or any other enterprise.
- c) Management Discussion and Analysis form part of the Annual Report.

9. SHAREHOLDERS' INFORMATION:

a) Registered Office	Plot No.431, Santej-Vadsar Road, Village: Santej, Taluka : Kalol-382 721, Dist : Gandhinagar.
b) Annual General Meeting	Day : Friday Date : 26 th September, 2014 Time : 12.00 Noon. Venue : Plot No. 431, Santej - Vadsar Road, Village: Santej, Taluka : Kalol - 382 721, Dist : Gandhinagar.
c) Financial Calendar 1st Quarter Results Half-yearly Results 3rd Quarter Results Audited yearly Results	Mid - August, 2014. Mid - November, 2014. Mid - February, 2015. End - May, 2015.
d) Book Closure Dates	From : Friday, the 12 th September, 2014 To : Friday, the 26 th September, 2014 (Both days inclusive).
e) Dividend Payment Date	N.A.

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f)	Listing of Shares on Stock Exchanges	:	<ol style="list-style-type: none"> 1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. 2. Madras Stock Exchange Limited, 'Exchange Building' Post Box No.183 11, Second Line Beach, Chennai-600 001. 3. Ahmedabad Stock Exchange Limited, Kamdhenu Complex, 1st Floor, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad - 380 015. 								
g)	Stock Exchange Code	:	<table border="1"> <thead> <tr> <th>Stock Exchange</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>ASE</td> <td>20214</td> </tr> <tr> <td>BSE</td> <td>526965</td> </tr> <tr> <td>MSE</td> <td>GUJCRAFT</td> </tr> </tbody> </table>	Stock Exchange	Code	ASE	20214	BSE	526965	MSE	GUJCRAFT
Stock Exchange	Code										
ASE	20214										
BSE	526965										
MSE	GUJCRAFT										
h)	Registrar and Share Transfer Agents (for both Physical and Demat Segment of Equity Shares) of the Company : M/s. Link Intime (India) Private Limited, Unit No 303 , 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad – 380 009. Tele. No. :(079) 2646 5179 Fax No. :(079) 2646 5179 e-mail Address: ahmedabad@linkintime.co.in										
i)	ISIN	:	INE372D01019								
j)	Share Transfer System : The transfer of shares in physical form is processed and completed by M/s. Link Intime (India) Private Limited. within a period of 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.										

k) Stock Price Data : The shares of the Company for 2013-14 on BSE Limited are as follows.

Month	BSE Limited		
	High (₹)	Low (₹)	No. of Shares Traded
April, 2013	8.91	8.05	641
May, 2013	8.00	7.62	350
June, 2013	7.95	6.88	1449
July, 2013	8.72	7.92	459
August, 2013	9.52	7.47	915
September, 2013	9.53	8.19	3550
October, 2013	9.06	7.78	552
November, 2013	13.14	8.56	15425
December, 2013	17.70	13.12	970
January, 2014	14.75	10.95	360
February, 2014	10.41	8.10	6990
March, 2014	9.36	7.76	3611

l) Distribution of Shareholding as on 30th June, 2014:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	4817	94.90	635793	13.01
501 to 1000	126	2.48	103969	2.13
1001 to 2000	62	1.22	91068	1.86
2001 to 3000	25	0.49	63190	1.29
3001 to 4000	9	0.18	33043	0.68
4001 to 5000	6	0.12	27600	0.56
5001 to 10000	13	0.26	92397	1.89
10001 & Above	18	0.35	3841240	78.58
Grand Total	5076	100.00	4888300	100.00

m) Category of Shareholders as on 30th June, 2014:

Category	No. of Shares held	% of Shareholding
Promoters	3608990	73.83
Financial Institutions/Banks	—	—
Bodies Corporate	8547	0.17
NRIs, Clearing Members	3700	0.07
Publics	1267063	25.92
Grand Total	4888300	100.00

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

The Company has not issued any GDRs/ ADRs but had issued 17,75,000 convertible Equity Warrants and as on date no Equity Warrants are pending for conversion into Equity Shares.

o) Dematerialisation of : Company's Shares are traded compulsorily in dematerialised mode. As on date approx. 84% of the Equity Shares of the Company are in dematerialised mode.

10. PLANT LOCATIONS:

The Company's Plant is situated at:
Plot No. 431, Santej - Vadsar Road, Village: Santej,
Taluka : Kalol - 382 721, Dist : Gandhinagar.

11. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form and 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 may contact to the Company's Registrar and Share Transfer Agent at:
M/s. Link Intime (India) Private Limited.
Unit No 303, 3rd floor Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off C. G. Road, Ahmedabad – 380 009.
Tele. No. :(079) 2646 5179
Fax No. :(079) 2646 5179
E-mail Address:ahmedabad@linkintime.co.in

Compliance Officer : Mr. Ashok Chhajer, Managing Director

12. DECLARATION:

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on 31st March, 2014.

Place : Ahmedabad.
Date : 29th July, 2014.

for and on behalf of the Board,
Rishab Chhajer **Ashok Chhajer**
Joint Managing Director Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Gujarat Craft Industries Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. Gujarat Craft Industries Limited, for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. We have conducted over review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2014 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all materials respects with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances is pending for period exceeding one month against the Company as per the records maintained by the Company.

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 affair of the Company.

For KASHYAP R. MEHTA & ASSOCATES,
Company Secretaries

Place : Ahmedabad
Date : 29th July, 2014

KASHYAP R. MEHTA
Proprietor
FCS: 1821
COP: 2052