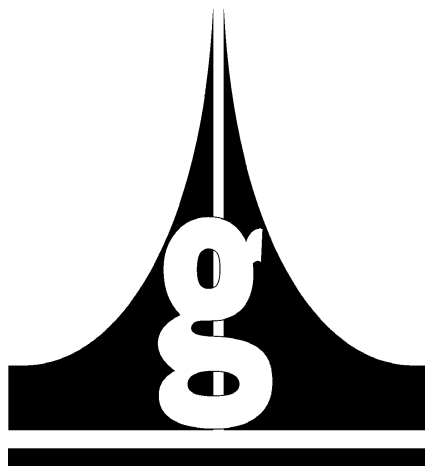


30th
ANNUAL REPORT
2014-2015



GUJARAT TERCE LABORATORIES LTD.

**BOARD OF DIRECTORS**

Mr. Natwarbhai P. Prajapati	[DIN 00031187]	<i>Chairman & Managing Director</i>
Mr. Amrutbhai P. Prajapati	[DIN 00699001]	<i>Whole Time Director (CFO)</i>
Mr. Sureshbhai P. Prajapati	[DIN 00356599]	<i>Director</i>
Mr. Gordhanbhai G. Patel	[DIN 00709521]	<i>Director</i>
Mr. Kanubhai S. Patel	[DIN 00031218]	<i>Director</i>
Mr. Jayantibhai S. Prajapati	[DIN 02608139]	<i>Director</i>
Mrs. Chhayaben A. Shah	[DIN 01435892]	<i>Director</i>

REGISTERED OFFICE & FACTORY :

122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. : Gandhinagar, Gujarat

CIN : L28112GJ1985PLC007753

Email : ho@gujaratterce.com

Web : www.gujaratterce.com

METAL FACTORY :

Block No. 140/P, Village - Ramnagar, Tal. Kalol, Dist. Gandhinagar, Gujarat

ADMINISTRATIVE OFFICE :

301 & 314, Akashrath Complex, Opp. National Handloom Corporation, Law Garden,
Off. C.G. Road, Ahmedabad - 380009.

AUDITORS :**USS & Associates**

CHARTERED ACCOUNTANTS

25, Avani Complex, B/h. Navrangpura Police Station,
Navrangpura,
Ahmedabad-380009.

SECRETARIAL AUDITOR:**Pinakin Shah & Co. [FCS 2562]**

Practicing Company Secretary

C-103, Panchdhara Plaza, Satellite Road, Ahmedabad - 380015.

BANKER :

BANK OF BARODA

Ellisbridge Branch,

Pritamnagar 1st Slop, Ellisbrdige, Ahmedabad-380006

REGISTRAR & SHARE TRANSFER AGENT:

Bigshare Services Pvt. Ltd.

E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka. Andheri(E), Mumbai - 400 072.

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Company will be held at 122/2, Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar-382729 on Saturday 26th September 2015 at 10:00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2015, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Amrutbhai Prajapati [DIN: 00699001] who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution
RESOLVED THAT pursuant to section 139(6) of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, M/s USS & Associates, Chartered Accountants [FRN: 122634W] be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of the 34th Annual General Meeting of the Company for the financial year ending on 2019-2020 (Subject to ratification of the appointment by the members at every AGM held after this AGM) on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

4. Appointment of Mrs. Chhayaben Ashwinbhai Shah as Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that Mrs. Chhayaben Ashwinbhai Shah (DIN: 01435892), who was appointed an Additional Director of the Company with effect from 31/03/2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

"RESOLVED Further that pursuant to the provisions of section 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mrs. Chhayaben Ashwinbhai Shah (DIN : 01435892), who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company w.e.f. 31st March, 2015 upto 30th March, 2020."

By Order of the Board of Directors

Shri Natwarbhai P. Prajapati

Chairman & Managing Director

DIN: 00031187

Date : 14/08/2015

Place : Ahmedabad

Registered office

122/2, Ravi Estate, Bileshwarpura,

Chhatral Dist: Gandhinagar

Notes:

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 19th September 2015 to 26th September 2015 (both days inclusive).
- 4) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.



- 5) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in Demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
- 6) The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
- 7) Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting.
- 8) Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rule, 2014 as amended and clause 35B of the Equity Listing Agreement, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Cut-off date i.e. a date not earlier than seven days before the date of general meeting are entitled to vote on the Resolutions set forth in this Notice.

Members who have acquired shares after the dispatch of the Annual Report and before the Cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. A person who is not a member as on the Cut-off date should treat this notice for the information purpose only.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

I. In case of members receiving e-mail from CDSL (for Members whose e-mail addresses are registered with Company/ Depositories):

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on "Shareholders" tab.
- iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- iv) Now Enter your 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.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below: Other Instructions

	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) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/mail) in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

II. In case of members receiving the physical copy:

- a) Please follow all steps from sl. no. (i) To sl. no. (xvii) Above to cast vote.
- b) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

III. Other Instructions:

- a) The e-voting period commences at 9.00 a.m. on 23rd September, 2015 and will end at 5.00 p.m. on 25th September, 2015. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Saturday, 19th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- b) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31st March, 2015.
- c) Mr. Pinakin Shah Practicing Company Secretary (FCS 2562), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d) The Scrutinizer shall immediately after the conclusion of voting after the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the



employment of the company and make, not later than three days of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company. The chairman or person authorised by him in writing shall declared the results of the voting forthwith.

- e) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gujaratterce.com and on the website of CDSL www.evotingindia.co.in immediately after the result is declared by the chairman.
- f) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- g) Members holding shares in Demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their Demas accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in Demat form for any change in bank particulars. Members holding shares in Demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
- h) Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. BigShare Services Private Limited/Investor Service Department of the Company immediately.
- i) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to M/s. BigShare Services Private Limited/ Investor Service Department of the Company.
- j) Members desiring any information relating to the accounts are requested to write to the Company at least seven days in advance so as to enable the management to keep the information ready.
- k) Details of the Directors seeking re-appointment in the 30th Annual General Meeting [Pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange]

Particulars	Mr. Amritbhai Prajapati	Mrs. Chhayaben Shah
Relationship with other directors	Brother	None
Date of appointment	01/03/2006	31/03/2015
Expertise	General Administration	Marketing
Qualification	Diploma in Textile	Home Science
No of equity shares held in the Company	31,510	NIL
List of other companies in which directorship are held	None	None
Chairmanship/ membership of Audit and stakeholder relationship committees	None	None

Note: the directorship held by Directors as mentioned above, do not include directorship of private limited companies.

By Order of the Board of Directors

Shri Natwarbhai P. Prajapati
Chairman & Managing Director
DIN: 00031187

Date : 14/08/2015
Place : Ahmedabad
Registered office
122/2, Ravi Estate, Bileshwarpura,
Chhatral Dist: Gandhinagar

EXPLANATORY STATEMENT
Pursuant to section 102 of the Companies Act, 2013

Item No. 4

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No 4 of the accompanying Notice dated 14/08/2015:

Mrs. Chhayaben Ashwinbhai Shah was appointed as an Additional Director of the Company with effect from 31/03/2015 by the Board of Directors under Section 161 of the Act and Article 66 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mrs. Chhayaben Ashwinbhai Shah holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mrs. Chhayaben Ashwinbhai Shah Appointment as a Director.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mrs. Chhayaben Ashwinbhai Shah, being eligible, offer herself for appointment as Independent Director on the Board of the Company, she has given a declaration to the Board that she meets the criteria of independence as provided under 149(6) of the Act. In the opinion of the Board, she fulfils the conditions specified in the Act and the Rules framed there under for appointment and she is independent of the management. The Nomination & Remuneration Committee has recommended her appointment as Independent Director from 31st March, 2015 to 30th March, 2020.

The Directors are of the view that the appointment of Mrs. Chhayaben Ashwinbhai Shah will be beneficial to the Company and accordingly commend the Resolutions at Item No 4 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolutions at Item No 4 of the accompanying Notice. Mrs. Chhayaben Ashwinbhai Shah is not related to any other Director of the Company.

By order of the Board

Shri Natwarbhai Prajapati
Chairman & Managing Director
DIN:00031187

Date : 14/08/2015

Place : Ahmedabad



DIRECTORS REPORT

To,
The Members of
Gujarat Terce Laboratories Limited

Your Directors have pleasure in presenting the 30th Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2015.

FINANCIAL HIGHLIGHTS

	2014-15	2013-14
Gross Income	26,80,79,109	29,41,22,481
Profit Before Interest and Depreciation	82,50,413	1,08,25,880
Finance Charges	(41,10,679)	(40,79,352)
Depreciation	(15,83,139)	(33,35,137)
Exceptional items (Dep. Written back due to change in method)	379,350	—
Net Profit Before Tax	29,35,945	34,11,391
Tax Expenses	(20,22,600)	(10,06,163)
Net Profit After Tax	9,13,345	24,05,228

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Net revenue from combined operations for the year ended 31st March, 2015 was Rs. 264,811,381/- representing a decrease of 8.20% over the previous year. Profit before tax for the year was at Rs. 29,35,945/- representing decrease of 13.94% over the previous year.

CHANGE IN NATURE OF BUSINESS, IF ANY

Your Company continues to operate in same business segment as that of previous year and there is no change in the nature of the business

DIVIDEND

In order to conserve the resources of the Company, the Board of directors has not recommended any dividend for current year.

AMOUNTS TRANSFERRED TO RESERVES

The Board of Directors proposed to carry nil amounts to General Reserve Account and an amount of Rs 9.13 Lacs has been retained in profit & loss Account.

CHANGES IN SHARE CAPITAL, IF ANY

There is no change in share capital of the Company during the Year.

MATERIAL CHANGES AND COMMITMENTS

Material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the report, are nil

BOARD AND AUDIT COMMITTEE

During the Financial Year 2014-15, the Company held four meetings of the Board of Directors as per Section 173 of Companies Act, 2013 and four meetings of the Audit Committee.

All the recommendations made by the Audit Committee during the year were accepted by the Board.

The details of the constitution and meetings of the Board and the Audit Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

As per the section 178 (1) of the Companies Act, 2013 the Company has constituted Nomination And Remuneration Committee, details of which are given in Corporate Governance report which forms part of annual report.

RATIO OF REMUNERATION TO EACH DIRECTOR

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is annexed as annexure-1.

GUJARAT TERCE LABORATORIES LTD.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) 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.
- f) 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.

DIRECTORS and KMP

In accordance with the Clause 65 of the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Amritbhai Prajapati (DIN- 00699001) would retire by rotation at the ensuing AGM and being eligible, offers himself for reappointment

During the current financial year the following changes have occurred in the constitution of directors of the company:

<u>Sr. No.</u>	<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
1.	Mrs. Chhayaben Ashwinbhai Shah	Non Executive Director	31/03/2015

Mrs. Chhayaben Ashwinbhai Shah holds the position till this AGM. The Board has issued the notice for her reappointment and recommends her resolution for the approval of the shareholders at AGM

INDEPENDENT DIRECTORS AND DECLARATION

Mr. Kanubhai S. Patel, Mr. Jayntibhai S Prajapati and Mr. Gordhanbhai G. Patel have been appointed as the independent director of the company as per Section 149(10) of the Companies Act, 2013 on 27/09/2014 for a term of 5 consecutive years on the Board of the Company and it is also proposed to appoint Ms. Chhayaben A. Shah as Independent Director of the Company w.e.f. 31st March, 2015 for a term of five consecutive years on the board of the Company.

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

FAMILIARIZATION PROGRAM

Since all independent directors are associated with the company for more than 5 (Five) years, the company has not conducted familiarization program for independent director.

AUDITORS AND REPORT THEREON

M/s USS & Associates, Chartered Accountants, Ahmedabad (FRN 122634W) retire at the ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for a period of four years from the conclusion of this Annual General Meeting [AGM] till the conclusion of 34th AGM

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

The Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal.

SECRETARIAL AUDIT REPORT

The Company has appointed M/s. Pinakin Shah & Co., Practicing Company Secretary, Ahmedabad as Secretarial Auditor to conduct audit under section 204 of the Companies Act, 2013.

There are qualifications or adverse remarks in the Secretarial Audit Report which require clarification/ explanation.

Remarks

Non-compliance of section 203 of the Companies Act, 2013

Explanation

No Company Secretary like to join midsize Company.