



GUJARAT RAFFIA INDUSTRIES LIMITED

(CIN : L17110GJ1984PLC007124)

28TH

ANNUAL REPORT

2013-2014

Gujarat Raffia Industries Limited

GUJARAT RAFFIA INDUSTRIES LIMITED

(CIN: L17110GJ1984PLC007124)

28TH ANNUAL REPORT 2013-14

BOARD OF DIRECTORS : Shri Pradeep Bhutoria Chairman & Managing Director
Smt. Sushma P. Bhutoria Whole Time Director
Shri Alpesh R. Tripathi Director
Shri Dipen M. Shah Director

AUDITORS : M/s. P G T & Associates
Chartered Accountants,
Ahmedabad.

BANKERS : Union Bank of India

REGISTERED OFFICE & WORKS : Plot No.455,
Santej Vadsar Road,
Village : Santej,
Taluka : Kalol-382721.
Dist: Gandhinagar.

**REGISTRAR AND
SHARE TRANSFER AGENT** : M/s. Link Intime India Pvt Ltd.,
Ahmedabad Branch,
303, Shopper's Plaza, - V,
Opp. Municipal Market, Off. C G Road,
Navrangpura, Ahmedabad – 380009.
Contact Number: 079 – 26465179
e-mail id: ahmedabad@linkintime.co.in

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NOTICE

NOTICE is hereby given that the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the Members of **GUJARAT RAFFIA INDUSTRIES LIMITED** will be held as scheduled below:

Date : 23rd September, 2014
 Day : Tuesday
 Time : 5.00 pm
 Place : At the Registered Office of the Company at:
 Plot No. - 455, Santej-Vadsar Road, Village: Santej,
 Taluka: Kalol -382 721. Dist: Gandhinagar.

to transact the following business:

I. ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements as at 31st March, 2014 including the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Pradeep Ratanlal Bhutoria (DIN: 00284808) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s P G T & Associates., Chartered Accountants, Ahmedabad (Firm Registration No. 116277W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty third Annual General Meeting of the Company to be held in the year 2019 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

II. SPECIAL BUSINESS :

4. **Appointment of Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) as an Independent Director of the Company**
 To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

5. **Appointment of Mr. Dipen Mahasukhlal Shah (DIN: 06385027) as an Independent Director of the Company**
 To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dipen Mahasukhlal Shah (DIN: 06385027), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

6. **Increase Borrowing Powers of the Board**
 To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the ordinary resolution passed at the 26th Annual General Meeting held on 29th September, 2012 under section 293(1)(d) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act 2013 and the rules made there under , or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors of the Company, for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more of Company’s bankers and /or from financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, provided that the total outstanding amount of such borrowings shall not exceed Rs.50 Crores (Rupees Fifty Crores) over and above the aggregate of the paid up capital of the company and its free reserves at any time.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.”

7. Creation of Charge on the assets of the Company

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

“RESOLVED THAT in supersession of the Resolution No.6 passed at the Annual General Meeting of the Company held on 29th September, 2012 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company (‘the Board’) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as ‘Lenders’), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs.50 Crores (Rupees Fifty crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.”

8. Ratification of Remuneration of Cost Auditors of the Company for the Year 2014-15

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

“RESOLVED THAT pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (“the Act”) and recommendation of the Audit Committee and approval by the Board of Directors at their meetings dated 13th August, 2014, the consent of the Company be and is hereby accorded for ratification of the below remuneration to A. G. Tulsian & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15:

- a) Rs. 5000/- (Rupees Five Thousand Only) plus out of pocket expenses & service tax as applicable for conducting the audit of the cost accounting records for the organic- non organic plastic activities of all manufacturing facilities of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take such actions as may be necessary, expedient and proper to give effect to this resolution.”

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 2 to 8 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 2, 4 and 5 of the Notice, are also annexed.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. A member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours (09.30 a.m. to 06.30 p.m.) up to the date of the Meeting.
8. Pursuant to the Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Book of the Company will remain closed from Friday, 19th September, 2014 to Tuesday, 23rd September, 2014 (both days inclusive).
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Link Intime India Private Limited.
10. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Private Limited (RTA).
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders 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 Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Private Limited, for consolidation into a single folio. The share certificates will be returned to the members after making requisite changes thereon.
13. Non-Resident Indian Members are requested to inform Link Intime India Private Limited immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. TO SUPPORT THE 'GREEN INITIATIVE' MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESSES SO FAR ARE REQUESTED TO REGISTER THEIR E-MAIL ADDRESS WITH RTA /DEPOSITORIES FOR RECEIVING

ALL COMMUNICATION INCLUDING ANNUAL REPORT, NOTICES, CIRCULARS, ETC. FROM THE COMPANY ELECTRONICALLY.

15. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
16. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE610B01024. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent.
17. Trading in the shares of the Company is compulsorily in dematerialized form for all investors. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
18. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime india Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime india Private Limited.

By order of the Board of Directors
For **GUJARAT RAFFIA INDUSTRIES LIMITED**

PRADEEP BHUTORIA
MANAGING DIRECTOR

Place : Santej
Date : 13th August, 2014

Registered Office:
Plot No.455,
Santej Vadsar Road,
Village: Santej,
Taluka: Kalol-382721.
Dist: Gandhinagar
CIN: L17110GJ1984PLC007124

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

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 2 to 8 of the accompanying Notice:

Item No. 2 :

This explanatory statement is provided though strictly not required as per section 102 of the Act.

In terms of Section 149 read with Section 152(6) of the Companies Act, 2013, which has been brought into force with effect from 1st April, 2014, the provisions of retirement of directors by rotation are not applicable to Independent Directors and the office of two-thirds of all Non-Independent Directors will be liable to determination by retirement of directors by rotation. Hence, the period of office of Mr. Pradeep Bhutoria, Chairman & Managing Director has become liable to determination by retirement by rotation. Accordingly, Mr. Pradeep Bhutoria (DIN: 00284808) will retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The period of office of Mr. Pradeep Bhutoria (DIN: 00284808), if re-appointed, shall not be considered as a break in his service as managerial personnel of the Company.

Mr. Pradeep Bhutoria (DIN: 00284808) is interested in the resolutions set out at Item No. 2 of the Notice with regard to his appointment. The relatives of Mr. Pradeep Bhutoria (DIN: 00284808) may be deemed to be interested in the resolution set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the shareholders.

Item No. 3 :

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s P G T & Associates, Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 116277W), were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 27th September, 2013.

M/s P G T & Associates, Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 116277W), have been the Auditors of the Company since 2011-12 and have completed a term of 3 years. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s P G T & Associates, Chartered Accountants, Ahmedabad (ICAI Firm Registration No.116277W) being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 13th August, 2014 proposed the appointment of M/s P G T & Associates, Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 116277W), as the statutory auditors of the Company for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty third Annual General Meeting of the Company to be held in the year 2019 (subject to ratification of their appointment at every Annual General Meeting).

The Board recommends the Ordinary Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item Nos. 4 & 5 :

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchange(s), appointed Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) and Mr. Dipen Mahasukhlal Shah (DIN: 06385027) as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of these directors as Independent Directors to hold office for five consecutive years for a term upto 31st March, 2019.

Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) and Mr. Dipen Mahasukhlal Shah (DIN: 06385027) are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) and Mr. Dipen Mahasukhlal Shah (DIN: 06385027), non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act and under Clause 49 of the Listing Agreement.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) and Mr. Dipen Mahasukhlal Shah (DIN: 06385027), for the office of Directors of the Company.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Copy of the draft letters for respective appointments of above Directors as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Independent Directors to be appointed is given below:

1. Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278)

Mr. Alpesh Rajeshbhai Tripathi possesses experience of more than 10 years in the plastic industry, mainly for trading of the similar products.

2. Mr. Dipen Mahasukhlal Shah (DIN: 06385027)

Mr. Dipen Shah age 40 years possess experience of up to 15 years in the plastic polymer industry, mainly trading in Export-Import and Local market. He is Proprietor of Swayam Polymers.

Other details of the Independent Directors whose appointment is proposed at Item Nos. 5 and 6 of the accompanying Notice, have been given in the annexure attached.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) and Mr. Dipen Mahasukhlal Shah (DIN: 06385027) are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective appointments. The relatives of Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) and Mr. Dipen Mahasukhlal Shah (DIN: 06385027) may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the shareholders.

Item No.6 :

Under the erstwhile Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Under the provisions of Section 180 (1) (c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The borrowing limit of Rs. 50 Crores under the earlier resolution passed by the shareholders at the Annual General Meeting of the Company held on 29th September, 2012 remains unchanged.

The Board recommends the Resolution at Item No.6 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

Item No. 7 :

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business) Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

The existing limit of Rs.50 Crores under the earlier resolution passed by the shareholders at the Annual General Meeting of the Company held on 29th September, 2012 remains unchanged.

The Board recommends the Resolution at Item No.7 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

Item No. 8 :

The Board of Directors, at its meeting held on 13th August, 2014, on recommendation of the Audit Committee, approved the appointment of A. G. Tulsian & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15 at fees of Rs. 5000/- for conducting the audit of the cost accounting records for the organic- non organic plastic activities of all manufacturing facilities of the Company, plus out of pocket expenses & service tax as applicable.

Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 ("the Act"), requires the Board to appoint an individual, who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor on the recommendations of the Audit committee, which shall also recommend remuneration for such cost auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

The resolution contained in Item no. 8 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2014-15.

The Board recommends the Resolution at Item No.8 of the Notice for approval of the shareholders by an Ordinary Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

By order of the Board of Directors
For **GUJARAT RAFFIA INDUSTRIES LIMITED**

PRADEEP BHUTORIA
MANAGING DIRECTOR

Place : Santej
Date : 13th August, 2014

Registered Office:
Plot No.455,
Santej Vadsar Road,
Village: Santej,
Taluka: Kalol-382721.
Dist: Gandhinagar
CIN: L17110GJ1984PLC007124

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING :

Particulars	Mr. Pradeep Ratanlal Bhutoria (DIN: 00284808)	Mrs. Sushma Pradeep Bhutoria (DIN: 00284819)	Mr. Alpesh Rasikbhai Tripathi (DIN: 00170278)	Mr. Dipen Mahasukhlal Shah (DIN: 06385027)
Date of Birth	18-10-1959	25-08-1962	03-08-1970	06-01-1974
Date of Appointment	01-01-2007	21-02-2008	01-04-2001	15-03-2012
Qualifications	B. Com.	B. Com.	B. Com.	B. Com.
Expertise in specific functional areas	25 years in line of activity Marketing, Production, Finance	10 years in Business Administration	10 years in Marketing & Administration	15 years in Marketing & Administration
Directorships held in other companies (excluding foreign companies)	1. Asian Gases Limited 2. Arihant Corporate Services Limited 3. Bengal Business Limited 4. Mahanagar Real Estate Private Limited	1. Asian Gases Limited 2. Bengal Business	1. Gujarat Polyethelene Private Limited 2. Vindhya Polymers Private Limited 3. Royal Orient Forex Private Limited	Nil
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Audit Committee Member, Shareholders Investor Relationship Committee	NA	Audit Committee Member	Audit Committee Chairman
Number of shares held in the Company	5,46,374	1,38,310	Nil	Nil

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors present the **Twenty Eight** Annual Report together with the Audited Statement of Accounts for the year ended on **31st March, 2014**.

1. FINANCIAL RESULTS :

The summary of Financial Results of the Company for the year under review along with the figures for previous year are as follows:

Particulars	(Rs. In lacs) Financial year Ended 31-03-2014 (12 Months)	(Rs. In lacs) Financial Year Ended 31-03-2013 (12 Months)
Operating Profit / Loss(Before Interest and Depreciation)	335.68	178.10
Less: Interest	118.34	40.47
Profit / Loss before Depreciation	217.34	137.63
Less: Depreciation	122.10	65.35
Profit / Loss for the year	95.24	72.28
Add: Extraordinary Income (Net)	-	-
Add: Prior period Income	-	-
Profit / Loss before Tax	95.24	72.28
Fringe Benefit Tax	0.00	0.00
Provision for Taxation	18.65	14.25
Profit / Loss after Tax	76.59	58.03

2. DIVIDEND :

With a view to conserve the resources for expansion of the business activities and working capital requirements of the Company, the board of directors of the company have not recommended any dividend for the year under review.

3. REVIEW OF OPERATIONS, SALES AND WORKING RESULTS :

Your director report that during the year under review, in spite of economic slowdown the Company has recorded a total sales of Rs.39,53,95,904/- as compared to Rs.30,00,17,878/- and earned other income of Rs.30,66,075/- (12 months) as compared to Rs.4,50,014/- for 12 months ended 31-03-2013. The Profit before tax for the period under review is Rs. 95,24,233/- as compared to Rs.72,27,769/- (12 months) in the previous which is gone up by 31.77% due to sales increase. The Profit after tax during the year under review is Rs.76,59,527/- as against Rs.58,02,769/- (12 months) in the previous year 2012-13.

4. DIRECTORS :

The Board consists of Executive and Non-executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

Mr. Prakash Ramnani (DIN: 00362845), Independent Director of the Company has resigned w.e.f. February 20, 2014. The Board of Director placed on record the invaluable contributions of Mr. Prakash Ramnani towards the progress of the Company

Mr. Pradeep Bhutoria (holding DIN: 00284808), Chairman & Managing Director, retires by rotation and being eligible, offer himself for re-appointment.

The Board at its meeting held on 13th August, 2014, subject to approval of the shareholders, appointed Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) and Mr. Dipen Mahasukhlal Shah (DIN: 06385027) , existing Independent Directors, as Independent Directors on the Board of Directors of the Company, for a period of five consecutive years from 1st April, 2014 upto 31st March, 2019, pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder ("the Act") read with Schedule IV of the Act.

Brief resume, area of expertise and other details of terms of appointment of these Directors forms integral part of the Notice of the Annual General Meeting.

All the Independent Non-Executive Directors of the Company have furnished declarations that they qualify the conditions of being Independent as per Section 149(6) & (7) of the Companies Act, 2013.

Pursuant to the provisions of Sections 203, 178 and other applicable provisions of the Companies Act, 2013 and Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board at its meeting on 13th August, 2014 also appointed Mr. Pradeep Bhutoria, Chairman & Managing Director.

5. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- b. Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are responsible and prudent so as to give true and fair view of the state of affairs of the company as at **31st March, 2014** and of profit or loss of the company.
- c. Proper and sufficient care has been taken 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 annual accounts have been prepared on going concern basis.

6. PERSONNEL :

Industrial relations continued to remain cordial and peaceful during the year under review.

7. LISTING :

The Equity Shares of the Company are listed on the Bombay and National Stock Exchange.

8. CORPORATE GOVERNANCE :

The Report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

9. DEMATERIALISATION OF EQUITY SHARES :

Shareholders have an option to dematerialize their shares with either of the depositories viz NSDL and CDSL. The ISIN allotted is INE610B01024

10. GENERAL :

10.1 INSURANCE :

The Company's properties including building, plants, machineries, stock, stores etc. continued to be adequately insured against risks such as fire, riots, strikes etc.

10.2 AUDITOR'S AND THEIR REPORT :

STATUTORY AUDITORS :

M/s. P G T & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has obtained a written consent and relevant certification from the Auditors proposed to be re-appointed.

The Company has received letters from M/s. P G T & Associates, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed as Statutory Auditors of the Company.

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

The notes of the auditors are self explanatory in the nature.

COST AUDITOR :

The Board of Directors has, on recommendation of the Audit Committee, at its meeting held on 13th August, 2014 appointed M/s. A. G. Tulsian & Co., Cost Accountants, as the Cost Auditor of the Company for audit of cost accounting records of its organic – non organic plastic activities for the financial year 2014-15 and has also fixed the

remuneration for audit of cost accounting records for the said financial year. In terms of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, it is proposed by the Board to recommend the remuneration approved in its meeting, for ratification by the shareholders in the ensuing Annual General Meeting of the Company.

10.3 PARTICULARS OF EMPLOYEES :

There is no employee drawing remuneration requiring disclosure under the Companies (Particulars of Employees) Rules, 1975.

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

The information in accordance with the provisions of Section 217(1) (e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo is attached as per **Annexure – I**, and conservation of energy as per **Annexure – II**.

12. ACKNOWLEDGEMENT :

Your Directors express their sincere gratitude for the assistance and cooperation extended by Financial Institutions, Banks, Government Authority, Shareholders, Suppliers, Customers and Stakeholders.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at their level towards achievements of the Companies goals.

By Order of the Board,

Date : 13th August, 2014
Place : Santej

Pradeep Bhutoria
Chairman & Managing Director

ANNEXURE - I

The information in accordance with the provisions of Section 217 (1) (e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo

Particulars	Current Year (2013-14)	Previous Year(2012-13)
Foreign Exchange Earning	Rs. 9,52,49,708	Rs. 6,79,99,549
Foreign Exchange Outgo	Rs. 7,84,45,461	Rs. 3,98,11,674

The information in accordance with the provisions of Section 217 (1) (e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of Energy:

ANNEXURE - II

NO.	Particulars	For, 31 st March, 2014	For, 31 st March, 2013
A.	Power and Fuel		
	1. Electricity		
	A) Purchased		
	Unit	2,91,9928	29,24,888
	Total Amount in (lacs)	204.715	197.67
	Rate/ Unit (Rs.)	7.01	6.75
	B) Own Generation		
	Through diesel generator	0	
	Unit	0	2816
	Total Amount (Rs. In lacs)	0	0.44
	Rate/ Unit (Rs.)		15.51
	2. CoalNIL	NIL	
	3. Furnace oil	NIL	NIL
	4. LSHS of HDPE Fabrics /Sheets(Kg.)	NIL	NIL
B.	Consumption per Unit of Production of HDPE fabrics/ sheets (kg.)	1.177	1.087

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. It goes beyond mere financial measurement of the performance of the company, taking into consideration a basket of parameters such as employee satisfaction, shareholders satisfaction, commitment to quality etc. The management of the company believes that the corporate governance is the reflection of our culture, policies, our commitment to values and our relationship with Stakeholders. The Company is committed to Corporate Governance and endeavors to adhere to the highest standards of corporate value and ethics.

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-à-vis the Stock Exchange Listing Agreement is presented below.

2. VIGIL MECHANISM (WHISTLE BLOWER POLICY) :

The Company has adopted the Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. Further the mechanism adopted by the Company encourages the employees and Directors of the Company to report genuine concerns or grievances and provides for adequate safeguards against victimization of employees and directors who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The details of complaints received and the action taken are reviewed periodically by the Audit Committee. None of the Company's personnel have been denied access to the Audit Committee.

3. BOARD OF DIRECTORS :

a) Composition and Category of Directors :

Name of Directors	Category of Directorship	No. of other Director Ships*	Committee (1)Membership/ (2) Chairmanship in other Companies	No. of Board Meetings attended	Attendance at the AGM th held on 27 th September, 2013 Yes(Y) / No(N)
Mr. Pradeep Bhutoria Chairman & Managing Director	Promoter- Executive	3	-	11	Y
Mrs. Shushma P. Bhutoria	Promoter- Executive	2	-	11	Y
Mr. Alpesh R. Tripathi	Independent- Non-Executive	-	-	11	N
Mr. Prakash D. Ramnani**	Independent- Non-Executive	1	-	07	N
Mr. Dipen M. Shah	Independent- Non-Executive	-	-	11	N

* Private companies excluded.

** resigned from Directorship w.e.f. February 20, 2014

b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting :

Name of Director	Mr. Pradeep Bhutoria
Date of Birth	18-10-1959
Date of Appointment	01-01-2007
Expertise in specific functional areas	25 years in line of activity Marketing, Production, Finance

List of other Public Limited Companies in which Directorships held	Asian Gases Limited, Arihant Corporate Services Limited, Bengal Business Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee
Chairman/Member of the Committees of Directors of other public limited companies	-

c) Board Procedures :

The Board of Directors meets regularly 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, and investment opportunities, Statutory Compliance etc. The meetings of the board of directors were held on 30-05-2013, 28-06-2013, 08-08-2013, 27-09-2013, 25-10-2013, 14-11-2013, 28-12-2013, 30-12-2013, 04-01-2014, 12-02-2014 and 20-02-2014.

4. AUDIT COMMITTEE :

The Audit Committee consists of the following Directors:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Pradeep Bhutoria Prakash D. Ramnani@ Alpesh R. Tripathi Dipen Shah@@	Chairman is independent Director and majorities are independent. Two members have 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 on 30-05-2013, 08-08-2013, 25-10-2013 and 12-02-2014

@ ceased to be Member of Audit Committee of the Company due to pre-occupations w.e.f. September 27, 2013

@@ appointed as Chairman and Member w.e.f. September 27, 2013 as reconstitution of Audit Committee

5. 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:

Mr. Prakash D. Ramnani, Member- Non- Executive Independent *

Mr. Alpesh R. Tripathi, Member- Non- Executive Independent

Mr. Dipen M. Shah, Member- Non- Executive Independent

Mr. Pradeep Bhutoria- Chairman & Managing Director**

* resigned from Directorship w.e.f. February 20, 2014

** Appointed as member w.e.f February 20, 2014

Details of remuneration paid :

1. The Company paid Managerial Remuneration of Rs. 6,00,000/- to Shri Pradeep Bhutoria, Managing Director during the year 2013-14.
2. The Company paid Managerial Remuneration of Rs.4,20,000/- to Smt. Sushma Bhutoria, Whole Time Director during the year 2013-14.
3. The other Directors were not paid sitting fees. No Commission or Stock Option has been offered to the Directors

6. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE :

The Board has constituted a Shareholders/Investors' Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Dematerialisation, Share Transfer, Non receipt of Balance Sheet etc.

Shri Dipen Shah, Director and Shri Pradeep Bhutoria, Managing Director are the Members of the Committee.

Mr. Ramakant Pandey is the Compliance Officer for the above purpose.

The Company received 16 complaints / queries during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31st-March, 2014.

7. GENERAL BODY MEETINGS :

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

Financial Year	Date	Time	Venue
2010-11(12 Months)	05-09-2011	2.00 p.m.	Registered Office at Plot No. 455, Santej-Vadsar Road, Village: Santej, Taluka: Kalol-382 721, Dist: Gandhinagar.
2011-12(12 Months)	29-09-2012	2.00 p.m.	
2012-13(12 Months)	27-09-2013	2.00 p.m.	

Details of Special Resolution passed in the last three Annual General Meeting :

Special Resolution for appointment and remuneration of Shri Pradeep Bhutoria as Managing Director of the Company w.e.f. 1st January, 2012, in Annual General Meeting dated 05-09-2011

Special Resolution for appointment and remuneration of Smt.. Sushma P. Bhutoria as Whole Time Director of the Company w.e.f. 1st April, 2012, in Annual General Meeting dated 29-09-2012.

During the year under review, no special resolution was passed through postal ballot or Extra Ordinary General Meeting and as of day, there is no proposal to pass any special resolution through postal ballot.

8. 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 at large.
- There has neither been any intentional 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.

9. MEANS OF COMMUNICATIONS :

- In compliance with the requirements of the Listing Agreement, the Company is 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 not displayed on Website and Quarterly results are not sent individually to the Shareholders.

- During the year ended on 31stMarch, 2014, no presentation was made to Institutional Investors or analyst or any other enterprise.
- Management Discussion and Analysis form part of the Annual Report.

10. SHAREHOLDERS' INFORMATION :

a	Registered Office	Plot No. 455, Santej-Vadsar Road, Village: Santej, Taluka: Kalol-382721 Dist : Gandhinagar.
b	Annual General Meeting	Day : Tuesday
		Date : 23 rd September, 2014
		Time : 05.00 p.m.
		Venue : Plot No. 455, Santej-Vadsar Road, Village: Santej, Taluka: Kalol-382721 Dist: Gandhinagar.
c	Financial Calendar	1 st Quarter Results Mid August, 2014.
		Half yearly Results Mid November, 2014.
		3 rd Quarter Results 4 th Mid February, 2015.
		Quarter Results End May, 2015.
		Audited yearly Results End May, 2015.
d	Book Closure Dates	From 19 th September, 2014 To 23 rd September, 2014
e	Registrar and Share Transfer Agents	In terms of SEBI Circular No. D&CC/FITTC/CIR 15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CIR 18/2003 dated 12 th February, 2003, on appointment of common agency for share registry work, the Company has

		appointed the below mentioned agency as Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company: M/s. Link Intime India Private Limited. Ahmedabad Branch, 303, Shopper's Plaza-V, Opp Municipal Market, Off C G Road, Navrangpura, Ahmedabad - 380009. Tele. No.: (079) – 26465179 e mail : ahmedabad@linkintime.co.in
f	ISIN	INE610B01024
g	Dividend Payment Date	The Company has not declared Dividend
h	Stock Exchange Code	Stock Exchange Code Bombay Stock Exchange Limited 523836 National Stock Exchange of India GUJRAFFIA

i) **Stock Price Data** : The shares of the Company were traded on The Stock Exchange Mumbai.

The information on stock price data are as under :

Month	BSE		
	High (Rs.)	Low(Rs.)	No. of Shares Traded
April, 2013	4.11	2.84	21
May, 2013	7.58	4.19	31
June, 2013	7.94	7.18	4
July, 2013	8.15	6.83	6
August, 2013	7.37	3.92	33
September, 2013	0	0	0
October, 2013	3.86	3.44	9
November, 2013	3.97	3.43	13
December, 2013	3.43	3.21	15
January, 2014	3.75	2.65	42
February, 2014	3.05	2.26	68
March, 2014	3.03	2.63	142

j) **Share Transfer System** :

The transfer of shares in physical form is processed and completed by M/s. Link Intime India Private Limited generally 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) **Distribution of Shareholding as on 31st March, 2014** :

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Up to 500	28439	98.3504	2633603	52.7272
501 to 1000	283	0.9787	215513	4.3148
1001 to 2000	120	0.415	164759	3.2986
2001 to 3000	38	0.1314	92927	1.8605
3001 to 4000	8	0.0277	27772	0.5560
4001 to 5000	6	0.0207	27253	0.5456
5001 to 10000	9	0.0311	61134	1.2240
10001 to above	13	0.045	1771814	35.4733
Grand Total	28916	100.00	4994775	100.00

I) Category of Shareholders as on 31st-March, 2014 :

Category	No. of Shares held	% of Shareholding
Promoters including Promoter Company	1690409	33.84
Financial Institutions/ Banks	0	0.00
Mutual Fund	0	0.00
Bodies Corporate	38414	0.77
NRIs	30259	0.61
Foreign National	0	0.00
Other (Clearing Member)	2434	0.05
Public	3233259	64.73
Total	4994775	100

- m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs.
- n) Dematerialisation of : The Company has entered into Shares Agreement with NSDL/CDSL for Dematerialisation of Shares.

As on 31st March, 2014, a total of 27,56,535 Shares of the Company which form 55.19 % of the Share Capital of the Company stands dematerialised.

11. CODE OF CONDUCT :

The Company has an approved Code of Conduct applicable to Directors and Senior Management personnel. A certificate of affirmation in this regard forms part of this Report as Annexure 1.

12. RELATED PARTY TRANSACTIONS :

Transactions with related parties are-disclosed in detail in Note to Accounts annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

13. CEO / CFO CERTIFICATION :

The Managing Director of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

14. PLANT LOCATIONS :

The Company's Plant is situated at :

Plot No. 455, Santej-Vadsar Road, Village: Santej, Taluka: Kalol-382 721 Dist: Gandhinagar.

15. ADDRESS FOR CORRESPONDENCE :

For both Physical and Electronic Form:

M/s. Link Intime India Private Limited.

Ahmedabad Branch, 303, Shopper's Plaza - V, Opp Municipal Market,

Off C G Road, Navrangpura , Ahmedabad - 380009.

Tele. No.: (079) – 26465179 e mail : ahmedabad@linkintime.co.in

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:

Registered Office : Plot No. 455, Santej-Vadsar Road, Village: Santej, Taluka: Kalol-382 721 Dist: Gandhinagar.

Telephone Nos.: (02764) 28 66 52, (02764) 28 66 32

Compliance Officer : Mr. Ramakant Pandey

For and on behalf of the Board,

Date : 13th August,2014
Place: Santej

Pradeep Bhutoria
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS**a. Industry Structure and Developments :**

The Industry is dependent on performance of core sectors like agriculture, fertilizer, cement and exports. Total retail sales in India are projected to grow from Rs. 18610.12 billion in 2011 to Rs. 36,900.64 billion by 2015 according to the Business Monitor International (BMI) India Retail Report for the second-quarter of 2011. Strong underlying economic growth, population expansion, increasing wealth of individual and rapid construction of organized retail infrastructure are key factors behind the growth forecast. The policy changes in infrastructure will lead towards the brighter future of the company.

b. Opportunities and Threats :

We have a huge resource of food production in India, but almost 50% of the food gets wasted due to improper handling, storage and transit. Proper and modern packaging can change all this. The HDPE/PP woven Sacks/Bags industry as a whole will be benefited by relaxation of Jute Mandatory and Packaging order subject to which will be enable food corporation of India and other agencies to pack 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 more than 40% of its production.

c. Segment wise Performance :

The Company is operating only in one segment. The turnover/performance of the Company has been disclosed in the Directors report under the Head "Review of Operations, sales and working results."

d. Recent Trend and Future Outlook :

In spite of economic slowdown, the company is quite positive of better results 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. We had done expansion work of our plant it is completed at the end of this year so, our production capacity also increased. We are expecting growth in Domestic market for Tarpaulin also.

e. Risks and Concerns :

The industry is plagued by intense competition due to major petrochemical manufacturers making available raw material abundantly.

f. Internal Control Systems and their Adequacy :

The Company has a 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 2013-2014 is described in the Director's report under the head "Review of Operations, sales and working results."

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

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

i. Cautionary Statement :

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

For and on behalf of the Board,

Date : 13th August, 2014

Place : Santej

Pradeep Bhutoria
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

To

The Shareholders,
GUJARAT RAFFIA INDUSTRIES LIMITED,
Santej, Gandhinagar, Gujarat.

We have audited the accompanying financial statements of Gujarat Raffia Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS :

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS' RESPONSIBILITY :

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For P G T & Associates
Chartered Accountants
(Firm Reg. No.: 116277W)

(Pradeep G Tulsian)
Partner
Membership No.: 100968

Place : Ahmedabad
Date : 27.05.2014

ANNEXURE TO AUDITORS' REPORT
Referred to in Paragraph 3 of our report of even date

- i. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, apportion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book stock and the physical inventory have been noticed.
 - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- ii. In respect of its Inventories:
 - a) As explained to us, inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventories. As explained to us, there was no material discrepancy noticed on physical verification of inventories as compared to the book records.
- iii. In respect of loans, secured or unsecured, granted or taken by company to/from companies, firms or other parties covered in the register maintained under section 301 of the Act:
 - a) According to information and explanations given to us and on the basis of the records produced before us, the company has not granted any loan, secured or unsecured to the companies or firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 and hence sub-clause b, c and d are not applicable.
 - b) According to information and explanation given to us and on the basis of records produced before us the company has taken loan from four parties covered in the register maintained under section 301 of the

companies Act, 1956. The maximum amount involved during the year was Rs. 5,52,23,932/- and year end balance of loans taken from such party is Rs. 4,86,60,655/-

- c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loan has been taken from company listed in the register maintained under section 301 of the Act are not prima facie prejudicial to the interest of the company.
- d) The company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.
- iv. In our opinion and according to the information & explanations given to us, there are adequate internal control systems which commensurate with the size of the company & nature of its business for purchase of inventory, fixed assets and also for the sales of goods and services. Further, on the basis of our examination of our books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. In respect of the Contracts and arrangements referred to in section 301 of the Companies Act, 1956:
- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained referred to in section 301 of the companies Act, 1956 have been so entered.
- b) In our opinion, and according to information and explanation given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs or in respect of any party during the period have been made at prices which appears reasonable, having regard to the prevailing market prices at the relevant time.
- vi. In our opinion, and according to information and explanation given to us, the company has neither accepted nor reviewed any deposit from the public during the period covered by audit report, attracting the provisions of section 58A and 58AA or other provisions of the companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- vii. The company has appointed internal auditors and has carried out internal audit during the year. In our opinion based on size, nature and extent of the business the internal audit system of the company is commensurate with the size and nature of the business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determined whether they are accurate or complete.
- ix. In respect of Statutory Dues:
- a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, ESI, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.
- b) According to the records of the company and according to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duties, excise duty and cess which have been deposited on account of any dispute except the followings:

No.	Nature of the Statute	Nature of Dues	Forum where the matter is pending	Unpaid Amount (Rs.)
1.	The Industrial Dispute Act, 1947	Labour Matter	Labour Court	2,35,000/-
2.	Employee's State Insurance Act, 1948	ESIC	ESI Tribunal, Ahmedabad	2,00,000/-

- x. On the basis of information and explanations given to us and on the basis of records produced before us, the company does not have any accumulated loss at the end of the year and has not incurred cash losses in the relevant financial year and in the immediately preceding financial year.
- xi. According to the records of the company examined by us and on the basis of the information and explanations given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date. The company has not taken loans from financial institutions and has not issued debentures during the period under review.
- xii. In the opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the company.
- xiv. According to the information and explanation given to us, the company is not dealing in or trading in shares. Accordingly the provisions of clause (xiv) are not applicable to the company.
- xv. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loan taken by others from bank or financial institution hence the provision of this clause is not applicable to the company.
- xvi. In our opinion and according to the information and explanation given to us, the term loans were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment by the company.
- xviii. During the period covered under audit report, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. During the period covered under audit report the company has not issued any debentures and does not have any debenture outstanding as at the year end. Accordingly the provisions of clause (xix) of the Companies (Auditors Report) Order are not applicable to the Company.
- xx. During the period covered under audit report the company has not raised any money by way of public issue during the year.
- xxi. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on management representation, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For P G T & Associates
Chartered Accountants
(Firm Reg. No.: 116277W)

(Pradeep G Tulsian)
Partner
Membership No.: 100968

Place : Ahmedabad
Date : 27.05.2014

ANNEXURE 1 TO CORPORATE GOVERNANCE REPORT**CERTIFICATE****GUJARAT RAFFIA INDUSTRIES LIMITED****CIN : L17110GJ1984PLC007124****DECLARATION UNDER CLAUSE 49 (I) (D) (ii)**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2014.

Ahmedabad
Dated : 13th August, 2014

Pradeep Bhutoria
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Gujarat Raffia Industries Limited
CIN: L17110GJ1984PLC007124
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by M/s. Gujarat Raffia 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.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation there of adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 representation made by the Directors and the management, we certify that the Company has complied, with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreement.

We state that such compliance 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 affair of the Company.

For P G T & Associates
Chartered Accountants
(Firm Reg. No.: 116277W)

Place : Ahmedabad
Date : 13th August, 2014

(Pradeep G Tulsian)
Partner
Membership No.: 100968

BALANCE SHEET AS ON 31ST MARCH, 2014

Particulars	Note No.	In INR Figures as at end of	
		Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
EQUITY AND LIABILITIES :			
Shareholders' Funds :			
Share Capital	1	49947750	49947750
Reserves and Surplus	2	57386477	49726950
		107334227	99674700
Share Application Pending Allotment		0	0
Non-Current Liabilities :			
Long Term Borrowings	3	100922460	80957013
Long Term Provisions	4	915298	772162
		101837758	81729175
Current Liabilities :			
Short Term Borrowings	5	84381509	51649450
Trade Payables	6	13673342	26043433
Other Current Liabilities	7	65571057	18796422
Short Term Provisions	8	306851	540389
		163932759	97029694
Total		373104744	278433569
ASSETS :			
Non-Current Assets :			
Fixed Assets:			
Tangible Assets	9	165179382	26380223
Capital Work-in-Progress		0	47068544
		165179382	73448767
Non-Current Investments	10	500500	500500
		165679882	73949267
Current Assets :			
Inventories	11	99524235	113290140
Trade Receivables	12	89094827	63152084
Cash and Bank Balances	13	8862761	8909133
Short Term Loans and Advances	14	9943039	19132945
		207424862	204484302
Total		373104744	278433569
Significant Accounting Policies			
Notes to the Financial Statements	1 to 34		
The accompanying notes are an Integral part of Financial Statement			

As per our report of even date

P G T & Associates
Chartered Accountants
FRN : 116277W

(Pradeep G Tulsian)
Partner
M. No. : 100968

Ahmedabad, Dated : 27.05.2014

Chairman and Managing Director

Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2014

Particulars	Note No.	In INR Figures as at end of	
		Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
REVENUE :			
Revenue from Operations:	16		
Sale of Products [Gross]		391335861	299084597
Less : Excise Duty		30431460	22830012
Sale of Products [Net]		360904401	276254585
Other Operating Revenues		4060043	933281
Net Revenue from Operations		364964444	277187866
Other Income	17	3066075	450014
Total Revenue		368030519	277637880
EXPENSES :			
Cost of Materials Consumed	18	291743122	202602176
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	19	(20002499)	(1396351)
Employee Benefits Expense	20	10838804	10410204
Finance Costs	21	11833967	4047120
Depreciation and Amortisation expenses	9	12210038	6535242
Other Expenses	22	51882854	48211720
Total Expenses		358506286	270410111
Profit before exceptional & extraordinary items and Tax		9524233	7227769
Less: Exceptional Items		0	0
Profit before Tax		9524233	7227769
Less/[Add]: Tax Expense:			
Current Tax		1825000	1425000
Earlier Year Tax		39706	0
Deferred Tax	31	0	0
Total Tax Paid		1864706	1425000
Profit for the period		7659527	5802769
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	23		
Before/After Exceptional Items		1.53	1.16
Significant Accounting Policies			
Notes to the Financial Statements	1 to 34		
The accompanying notes are an Integral part of Financial Statement			

As per our report of even date

P G T & Associates
Chartered Accountants
FRN : 116277W

(Pradeep G Tulsian)
Partner
M. No. : 100968

Ahmedabad, Dated : 27.05.2014

Chairman and Managing Director

Director

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 1-SHARE CAPITAL :		
Authorised :		
1,10,00,000 [as at 31-03-13 : 1,10,00,000] equity shares of Rs.10/- each	110000000	110000000
Total	110000000	110000000
Issued, Subscribed and Paid-up :		
49,94,775 [as at 31-03-13 : 49,94,775] equity shares of Rs.10/- each	49947750	49947750
Total	49947750	49947750
A. The reconciliation of the number of shares outstanding is as under :		
	Equity Shares	
Number of shares at the beginning	4994775	4994775
Add: Bonus shares issued during the period/shares issued during the period	0	0
Less: Shares bought back/redeemed during the period	0	0
Number of shares at the end	4994775	4994775

B Terms/rights attached to equity shares :

The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. The equity shares rank parri passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.

C Details of Share Holders holding more than 5% of Equity Shares of Rs. 10/- each, fully paid:

Name of the Shareholder	Current Reporting period 31st March, 2014		Previous Reporting period 31st March, 2013	
	No of Shares	% of Holding	No of Shares	% of Holding
Pradeep Bhutoria	546374	10.94	546344	10.94
Ratanlal Bhutoria	280261	5.61	280261	5.61
Bengal Business Limited	300579	6.02	300579	6.02

As per records of the company, including its register of shareholders/members and declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership shares.

D The Equity Share Capital of the Company had been reduced from 10,21,87,000 comprising of 1,02,18,700 shares of Rs.10/- per share fully 99,89,550 equity shares of Rs.5/- each fully paid up. The reduction in capital had been approved under section 100 of the Companies Act 1956 by the High Court Of Gujarat vide its order dated Sept.21,2007. The company then converted its reduced face value of shares from Rs 5 each to Rs 10 each vide special resolution passed in Extra-ordinary General Meeting dated October 15, 2007.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 2 - RESERVES AND SURPLUS :		
Capital Reserve :		
Balance as per last balance sheet (On forfeiture of 2,29,150, equity shares)	2530849	2530849
Addition during the period	0	0
Closing Balance	2530849	2530849
General Reserve :		
Balance as per last balance sheet	15471216	15471216
Add: Transfer from surplus in profit and loss account	0	0
Less: Transfer to surplus in statement of profit and loss	0	0
Closing Balance	15471216	15471216
Surplus/(deficit) in Statement of Profit and Loss :	31724885	25922116
Add: (Loss)/Profit for the reporting period	7659527	5802769
Net surplus in the statement of profit and loss	39384412	31724885
Total	57386477	49726950

NOTE : 3 -LONG TERM BORROWINGS :

INR

	Non-Current Portion Current Reporting period 31st March, 2014		Current Maturities Previous Reporting period 31st March, 2013	
	No of Shares	% of Holding	No of Shares	% of Holding
A Term Loans/Finance Lease Obligation (Secured)				
a From Banks	41697712	28988844	20551923	208739
	41697712	28988844	20551923	208739
B From Others [Unsecured] :				
a Inter corporate deposits	53053774	51968169	0	0
b Director	6170974	0	0	0
	59224748	51968169	0	0
Total	100922460	80957013	20551923	208739
The above amount includes :				
Secured borrowings	41697712	28988844	20551923	208739
Unsecured borrowings	59224748	51968169	0	0
Amount disclosed under head "Other Current Liabilities" [Note-9]	0	0	-20551923	-208739
Net Amount	100922460	80957013	0	0

A Securities and Terms of Repayment for Secured Long Term Borrowings :

- a Finance Lease obligations is secured by hypothecation of assets taken on lease.
- b Term Loan from Bank
- Secured against entire stock of Raw Material (imported / indigenous), semi-finished goods, Finished Goods, Book Debts and collateral Security of Factory Land and Building and Plant and Machinery.
 - Secured loan amounting to Rs. 312635/- (P.Y. Rs. 255584/-) is secured by hypothecation of vehicle.

B Terms of Repayment for Secured Long Term Borrowings:

- a Finance lease obligations are repayable in equal monthly installments along with interest for the period.
- c There is no continuous default in repayment of Loan and interest their on as on March 31st, 2014 for any loans under this head.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 4 - LONG TERM PROVISIONS :		
Provision for Employee Benefits	915298	772162
Total	915298	772162
Disclosure pursuant to Accounting Standard-15 [Revised] “Employee Benefits” :		
Defined benefit plan and long term employment benefit ;		
A General description:		
Gratuity [Defined benefit plan] :		
The Company operates one defined plan viz. Gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of @ last drawn salary for each completed year of service. The scheme is not funded by the company.		
[Defined contribution plan] :		
Contribution to Defined Contribution Plan, recognized as expense for the period is as under : Employer’s Contribution to Provident Fund	249948	257122
Leave wages [Long term employment benefit] :		
The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting period is recognized as at the balance sheet date.	541141	448121
Gratuity [Defined benefit plan] :		
a Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	324041	309041
Interest Cost	0	0
Current service cost	50116	15000
Benefits paid	0	0
Actuarial [gain]/losses on obligation	0	0
Closing defined benefit obligation	374157	324041
b Change in the fair value of plan assets :		
Opening fair value of plan assets	0	0
Expected return on plan assets	0	0
Contributions by employer	0	0
Benefits paid	0	0
Actuarial gains/[losses]	0	0
Closing fair value of plan assets	0	0
Total actuarial gain [loss] to be recognized	0	0
c Actual return on plan assets :		
Expected return on plan assets		
Actuarial gain/[loss] on plan assets	0	0
Actual return on plan assets	0	0
	0	0
d Amount recognised in the balance sheet :		
[Assets]/Liability at the end of the period	374157	324041
Fair value of plan Assets at the end of the period	0	0
Difference	374157	324041
Unrecognised past Service cost	0	0
[Assets]/Liability recognised in the Balance Sheet	374157	324041

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 4 - LONG TERM PROVISIONS : (CONTD.....)		
Disclosure pursuant to Accounting Standard-15 [Revised] "Employee Benefits" :		
Defined benefit plan and long term employment benefit ;		
e [Income]/Expenses recognised in the Statement of Profit and Loss :		
Current service cost	50116	15000
Interest cost on benefit obligation	0	0
Expected return on plan assets	0	0
Net actuarial [gain]/loss in the period	0	0
Net [benefit]/expense	50116	15000
f Movement in net liability recognised in Balance Sheet :		
Opening net liability	324041	309041
Expenses as above [P & L Charge]	50116	15000
Employer's contribution	0	0
[Assets]/Liability recognised in the Balance Sheet	374157	324041
g Principal actuarial assumptions as at Balance sheet date :		
		<u>Gratuity Unfunded</u>
Mortality table	NA	NA
Discount rate (rate annum)	NA	0
Expected rate of return on plan assets (per annum)	NA	NA
Rate of escalation in salary	NA	0
(Acturial valuer has not given these parameters in the certificate)		
NOTE : 5 - SHORT TERM BORROWINGS :		
Working Capital Loans from Banks [Secured] [*]	46537857	51649450
Buyers Credit from Banks [Secured] [**]	37843652	0
Total	84381509	51649450
[*] [Secured against entire stock of Raw Material (imported / indigenous), semi-finished goods, Finished Goods, Book Debts and collateral Security of Factory Land and Building, Plant and Machinery].		
[**] Secured against the machinery purchased against the credit facilities.		
NOTE : 6 - TRADE PAYABLES :		
Micro, Small and Medium Enterprises [*]	0	0
Others	13673342	26043433
Total	13673342	26043433
[*] The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:		
Particulars :		
Principal amount due and remaining unpaid	0	0
Interest due on above and the unpaid interest	0	0
Interest paid	0	0
Payment made beyond the appointed day during the period	0	0
Interest due and payable for the period of delay	0	0
Interest accrued and remaining unpaid	0	0
Amount of further interest remaining due and payable in succeeding periods.	0	0

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 7 - OTHER CURRENT LIABILITIES :		
Current Maturities of Long Term Debt including current maturity of finance lease obligation [Refer Note No. 3]	20551923	208739
Sundry Creditors - Capital Goods	164639	4563246
Advances from Debtors	32865325	4109836
Others :		
Provision for Expenses	2297429	2821296
Payable to Statutory Authorities (*)	9691741	7093305
Total	65571057	18796422
(*) The company has recognised liability based on substantial degree of estimation for excise duty payable on clearance of finished goods lying in stock at the end of period.		
NOTE : 8 - SHORT TERM PROVISIONS :		
Provision for Employee Benefits	0	0
Others :		
Provision for Income Tax	306851	540389
Total	306851	540389

NOTE : 9 - FIXED ASSETS :

INR

A. Tangible Assets :	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
Gross Block :							
As at March 31, 2013	1295932	7119684	116541102	23,00,971	3014818	1335973	131608480
Additions	0	26390634	124114165	1,12,120	393722	292765	151303406
Disposals	0	0	0	-	588095	0	588095
Other adjustments	0	0	0	-	0	0	0
As at March 31, 2014	1295932	33510318	240655267	24,13,091	2820445	1628738	282323791
Depreciation :							
As at March 31, 2013	0	4099565	98182467	8,61,805	1267015	817405	105228257
Charge for the Period	0	767069	10944807	1,47,970	276896	73296	12210038
Disposals	0	0	0	-	293886	0	293886
As at March 31, 2014	0	4866634	109127274	10,09,775	1250025	890701	117144409
Net Block :							
As at March 31, 2013	1295932	3020119	18358635	14,39,166	1747803	518568	26380223
As at March 31, 2014	1295932	28643684	131527993	14,03,316	1570420	738037	165179382

- 1 The Borrowing costs capitalised by the Company during the reporting period is Rs.2226281/- (during the previous reporting 516933/-)
- 2 The fixed assets acquired on finance lease and lease rent are charged as per the agreed terms.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 10 - NON CURRENT INVESTMENTS :		
Long Term Investments :		
Trade Investments :		
Investments in Equity Instruments	0	0
Other Investments :		
Investments in Equity Instruments	500500	500500
	500500	500500
Details of Other Investments :		
	Face Value	No of Shares
	Per Share	Current Period
		Previous Year
Investment in Equity Instruments :		
Unquoted :		
In fully paid-up Equity Shares of :		
Others :		
Asia Pacific Ltd.	10	500
		500
Associate Concerns :		
Bengal Business Ltd.	10	100000
		100000
Asian gases Ltd.	10	150000
		150000
Total [Aggregate Book Value of Investments]	500500	500500
NOTE : 11 - INVENTORIES :		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories :		
Raw Materials	16695593	53254350
Work-in-progress	2464441	1919211
Finished Goods	79305373	57372736
Stores and Spares	1019421	659172
Scrap	39407	84671
Total	99524235	113290140
NOTE : 12 - TRADE RECEIVABLES :		
[Unsecured]		
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	915081	4315503
Others :		
Considered good	88179746	58836581
Total	89094827	63152084
NOTE : 13 - CASH AND BANK BALANCES :		
Balances with Banks	8807476	8906124
Cash on Hand	55285	3009
Total	8862761	8909133
A Earmarked balances with banks:		
a Balances with Banks include balances to the extent held as margin money deposits against gurantee and letter of credit opened	6028973	1456392
b Bank deposits with maturity of more than 12 months	0	0
c Company keeps Fixed deposit with the Nationalised / Scheduled banks, which can be withdrawn by the company as per its own discretion / requirement of funds.		

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 14 - SHORT TERM LOANS AND ADVANCES :		
[Unsecured, Considered Good]		
Loans and advances to related parties:		
Balances with Custom/ Central Excise/ Sales Tax Authorities	1107492	2902562
Advances to Suppliers	3351335	12478596
Advances recoverable in cash or in kind or for value to be received	5484212	3751787
Total	9943039	19132945
NOTE : 15 - CONTINGENT LIABILITIES AND COMMITMENT [TO THE EXTENT NOT PROVIDED FOR] :		
Contingent Liabilities :		
a Claims against the Company not acknowledged as debts		
i) Labour Matters	435000	235000
b In respect of guarantees given by Banks and/or counter guarantees given by the Company	2349779	160000
c Other money for which the company is contingent liable:		
i) Letters of Credit for Imports	3664452	8328104
NOTE : 16 - REVENUE FROM OPERATIONS :		
Sales of Goods :		
Sales	391157761	299084597
Services (Including Job Work)	178100	0
	391335861	299084597
Other Operating Revenues :		
Net Gain on foreign currency transactions and translation	1447233	933281
Export Benefits	2612810	0
Total	4060043	933281
Details of Sale of Goods (*) Net of Taxes		
Fabric	39488900	22848059
Sacks	69284104	77199235
Tarpaulin	233360026	180416888
NOTE : 17 - OTHER INCOME :		
Other Non-operating Income :		
Interest income	911250	438515
Amount Written Off	2154825	11498
Total	3066075	450014
NOTE : 18 - COST OF MATERIALS CONSUMED :		
Raw Materials :		
Stock at commencement	53254350	47254441
Add : Purchases	255184365	208602085
	308438715	255856526
Less : Stock at close	16695593	53254350
Total	291743122	202602176
A Details of Consumption of Raw Material [RM] is as under:		
a Fabric	49321496	2544460
b Granuals	210528171	198705345

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 19 - CHANGES IN INVENTORIES :		
Stock at close :		
Work-in-progress	2464441	1919211
Finished Goods	79344780	57457407
	81809221	59376618
Less: Stock at commencement:		
Work-in-progress	1919211	3928370
Finished Goods	57457407	52808576
	59376618	56736946
Less : Differential Excise Duty on Opening and Closing stock of Finished Goods	2430104	1243321
Total	20002499	1396351
A Details of Finished Goods is as under :	2012	2013
a. Sacks	6202178	183587
b. Tarpaulin/Roll/Cover/Fabric/sheets	34857098	52178236
	15736612	62955276
NOTE : 20 - EMPLOYEE BENEFIT EXPENSE :		
Salaries, Bonus and wages	10494830	10084271
Contribution to provident and other funds	249948	257122
Staff welfare expenses	94026	68811
Total	10838804	10410204
NOTE : 21 - FINANCE COST :		
Interest expense [*]	10664116	3585575
Bank commission & charges	1169851	461545
Total	11833967	4047120
[*] The break up of interest expense in to major heads is given below:		
On working capital loans	8040438	2755958
Others	2623678	829617
	10664116	3585575
NOTE : 22 - OTHER EXPENSES :		
Consumption of Stores and spare parts	4059455	4719078
Other Manufacturing Expenses	1673306	1706554
Power & fuel	20451458	20219914
Rent	300000	175000
Repairs to Plant and Machinery	390462	481296
Repairs to Others	91295	133941
Insurance	298329	233873
Rates and Taxes [excluding taxes on income] (*)	12652600	8664480
Directors' Remuneration	1020000	1020000
Traveling Expenses	190989	649540
Legal and Professional Fees	427939	493902
Freight and forwarding on sales	8060265	7886250
Loss on Sale of Assets	44209	0

NOTES TO THE FINANCIAL STATEMENTS

Particulars	In INR Figures as at end of			
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013		
NOTE : 22 - OTHER EXPENSES : (CONDT.....)				
Other marketing expenses	55357	330302		
Miscellaneous Expenses [**]	2167190	1497590		
Total	51882854	48211720		
(*) Rate and taxes includes sales tax, excise duty, service tax and other taxes. Excise duty represents the aggregate of excise duty borne by the company .				
[**] Miscellaneous Expenses include Payment to the auditors as [Excluding Service Tax]:				
a i Auditors	37500	37500		
ii For taxation matters	7500	7500		
iii For Other Services	0	0		
iv Total	45000	45000		
NOTE : 23 - CALCULATION OF EARNINGS PER EQUITY SHARE [EPS] :				
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
A Profit attributable to Shareholders	INR 7659527	5802769		
B Basic and weighted average number of Equity shares outstanding during the period	Nos. 4994775	4994775		
C Nominal value of equity share	INR 10	10		
D Basic & Diluted EPS :	INR 1.53	1.16		
NOTE : 24 - EXPENDITURE IN FOREIGN CURRENCY :				
Business Promotion Expenses (*)	172500	147246		
Import of Goods	48660638	45399574		
Import of Capital Goods	83113501	0		
(*) Considered on payment basis only.				
NOTE : 25 - EARNINGS IN FOREIGN EXCHANGE :				
Export of goods calculated on F.O.B. basis	96734255	77757665		
NOTE : 26 - REMITTANCES MADE ON ACCOUNT OF DIVIDEND IN FOREIGN CURRENCY :	0	0		
NOTE : 27 - RAW MATERIALS AND SPARE PARTS CONSUMED :				
	Current Reporting period 31st March, 2014		Previous Reporting period 31st March, 2013	
	INR	% Total	INR	% Total
Value of Raw Materials Consumed :				
Imported	71114339	24	45399574	22
Indigenous	220628783	76	157202602	78
Total	291743122	100	202602176	100
Value of Spare parts Consumed :				
Imported	0	0	0	0
Indigenous	4059455	100	4719078	100
Total	4059455	100	4719078	100

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Value in INR Figures as at end of	
	Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
NOTE : 28 - DERIVATIVE FINANCIAL INSTRUMENTS :		
A The Company has not entered into any forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee.		
B The details of foreign currency exposures not hedged by derivative transactions are as under :		
Dues to Creditors / Advance payment from Debtors/ Loans :		
Rupees	42088773	5492626
US dollar	697643	101640
Dues from Debtors and advance payment to suppliers :		
Rupees	16167987	13667202
US dollar	267992	252909

Value [*] represents the Indian rupee equivalent of foreign currency contracts and derivatives converted in accordance with the accounting policy followed by the Company.

NOTE : 29 - SEGMENT INFORMATION :

Based on the guiding principal given in Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India, the Company's primary business is manufacturing of PE, Tarpaulin, HDPE/PP Woven sacks and fabrics, which has similar risks and returns, accordingly there are no separate reportable segment as far as primary segment is concerned.

The operations of the company are in India and all assets and liabilities are located in India except export debtors and import creditors. The secondary business segment by geographical market is given below.

SECONDARY BUSINESS SEGMENT BY GEOGRAPHICAL MARKET :

A Sales Revenue	Within India	Outside India	Total
Current reporting period	288798168	102359593	391157761
Previous reporting period (Sale revenue is gross of excise duty and sales tax.)	221326932	77757665	299084597
B Carrying amount of segment assets :			
Current reporting period	356936757	16167987	373104744
Previous reporting period (Assets outside India include Export Debtors)	264766367	13667202	278433569

NOTE : 30 - RELATED PARTY TRANSACTIONS :**A Name of the Related Party and Nature of the Related Party Relationship :****a) Directors and their relatives :**

Mr. Pradeepkumar Bhutoria	Executive Director
Mrs. Sushma Bhutoria	Executive Director
Mr. Abhishek Bhutoria	Son of Director
Mr. Alpesh Tripathi	Director
Mr. Prakash Ramnani	Director (*) Resigned
Mr. Dipen M Shah	Director

b) Enterprises significantly influenced by Directors and/or their relatives :

Asian Gases Limited
Bangal Business Limited
Mahanagar Realestate Pvt. Ltd.

Related party relationship is as identified by the Company and relied upon by the Auditors.

B Transactions with Related Parties :

The following transactions were carried out with the related parties in the ordinary course of business :

a) Details relating to parties referred to in A above :**Value of the Transactions [INR]**

Reporting period ended March 31,	Related parties referred in A(a) above		Enterprises significantly influenced by Directors and/or their relatives Nature of Transactions	
	2014	2013	2014	2013
Loan Taken	16000000	0	197000	2628000
Loan Repaid	10064803	0	371930	3123851
Interest Paid	235777	0	719301	713510
Remmuneration	1020000	1020000	0	0
Rent Paid	300000	175000	0	0
Total	27620580	1195000	1288231	6465361

b) Disclosure in respect of transactions which are more than 10% of total transactions of same type with related parties during the period.**Transaction and Outstanding payable :**

Name of Related Party	Balance as on 31.03.2013	Loan Taken	Amount Paid	Expenses	Closing as on 31.03.2014
Asian Gases Limited	14509951	167000	371930	719301	15024322
Bengal Business Ltd.	10835359	30000	0	0	10865359
Mahanagar Realestate Pvt. Ltd.	16600000	0	0	0	16600000
Abhishek Bhutoria	175000	0	475000	300000	0
Pradeep Bhuroria (Loan)	0	16000000	10064803	235777	6170974

Note : 31 :- During the year company has imported capitol goods under EPCG License Scheme and availed custom duty benefit of Rs. 211.32 lacs against which company has export obligation of Rs. Rs. 1785.24 lacs, which is to be completed within six years of import. Till the year ended 31.03.2014 company has exported goods amounting to Rs. 502.28 Lacs. If company fails to do meet the export obligation then it will be liable to pay custom duty saved alongwith interest and penalty thereon.

Note : 32 :- The Company has worked out deferred tax liabilities/assets as at March 31, 2014. In view of unabsorbed depreciation and business losses under tax laws, net result of computation is net deferred tax assets, which are not recognised as a matter of prudence and in absence of virtual certainty as to its realization.

Note : 33 :- Confirmation letters have not been obtained from some of the Debtors, Creditors, and Loans & Advances. Hence the, balances of these accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note : 34 :- Previous period's figures have been regrouped/ reclassified wherever necessary to correspond with the current period's classifications/ disclosure.

Signatures to Significant Accounting Policies and Notes 1 to 34 to the Financial Statements

As per our report of even date

P G T & Associates
Chartered Accountants
FRN : 116277W

(Pradeep G Tulsian)
Partner
M. No. : 100968

Ahmedabad, Dated : 27.05.2014

Chairman and Managing Director

Director

CASH FLOW STATEMENT FOR PERIOD ENDED 31ST MARCH 2014

Particulars	In INR Figures as at end of		
		Current Reporting Period March 31, 2014	Previous Reporting Period March 31, 2013
A. CASH ARISING FROM OPERATING ACTIVITIES :			
Net Profit before Tax and Exceptional Items as per Profit and Loss Accounts		95,24,233	7227769
ADD/(DEDUCT):			
Depreciation and Amortisation Expenses	1,22,10,038		6535242
Interest Income	(9,11,250)		(438515)
Loss on Sale of Fixed Assets	44,209		0
Amount Written off	(21,54,825)		(11498)
Financial Charges	1,18,33,967		4047120
Unrealised Foreign Exchange (Gain)/Loss	-		-
		2,10,22,139	10132348
Operating Cash Profit Before Working Capital Changes		3,05,46,372	17360117
Change In Working Capital			
Decrease in Trade and Other Current Liabilities	3,67,02,505		11246881
Increase in Trade Receivable and Other Loans and Advances	(1,67,52,837)		(41562196)
Decrease/(Increase) in Inventories	1,37,65,905		(8397167)
Total Change in Working Capital		3,37,15,573	(38712482)
Cash flow from opration		6,42,61,945	(21352365)
Less : Direct Taxes Paid		(20,98,244)	(1327542)
Net Cash Inflow/(Outflow) in the Course of Operating Activities after Exceptional Items		6,21,63,701	(22679907)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :			
Inflow :			
Sale of Assets	2,50,000		0
Inrerest Received	9,11,250		438515
		11,61,250	438515
Outflow :			
Investment In Shares of Other Company		-	-
Acquisiton of Fixed Assets (Including Capital WIP)	(10,42,34,862)	(104234862)	(39028405)
Net Cash Inflow/(Outflow) in the course of Investing Activities		(103073612)	(38589890)
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :			
Inflow :			
Proceeds from Secured Loan	1,27,08,869		28704424
Proceeds From Bank	3,27,32,059		34696252
Proceeds from Unsecured Loan	72,56,578		0240518
		5,26,97,506	73641194
Outflow:			
Finance charges	(1,18,33,967)	(1,18,33,967)	(4047120)
Net Cash Inflow/(Outflow) in the Course of Financing Activities		4,08,63,539	69594074
Net Increase/(Decrease) in Cash and Cash Equivalents		(46,372)	8324277
Add: Opening Balance of Cash and Cash Equivalents		89,09,133	584856
Closing Balance of Cash and Cash Equivalents		88,62,761	8909133

SIGNIFICANT ACCOUNTING POLICIES**(Annexed to and forming part of the financial statements for the year 31st March, 2014)****1) Method of Accounting :**

The Financial Statements are prepared as per Historical Cost Convention on "Accrual Concept" and in compliance, in all material aspects, of accountancy in accordance with the Generally Accepted Accounting Principles in India, applicable provisions of the Companies Act 1956, the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 by the Central Government or any other relevant provisions of the Companies Act, 1956. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the company has ascertained its operating cycle to be less than 12 months.

2) Use of Estimates :

The preparation of the Financial Statements in conformity of Accounting Standard generally accepted in India requires, the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities and disclosure of Contingent Liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3) Revenue Recognition :

- A. Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are stated inclusive of Excise and Sales Tax and net of rebate and trade discount.
- B. Service income is recognized as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax wherever applicable.
- C. Dividend income is recognized when the unconditional right to receive the income is established.
- D. Interest income is recognized on time proportionate method taking into accounts the amount outstanding and rate applicable.
- E. Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

4) Fixed Assets :

- A. Fixed Assets are stated at historical cost of acquisition/construction less accumulated depreciation (except free hold land, where no depreciation is charged) and impairment loss. Cost includes the purchase price (Net of Input tax credit received/ receivable or refundable taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use and pre-operative and project expenses for the period up to completion of construction/assets are put to use.
- B. The loss or gain on exchange rates on long term foreign currency loans attributable to fixed assets, effective from April 1, 2007 is adjusted to the cost of respective fixed assets.
- C. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.
- D. Intangible Assets are reported at acquisition value with deductions for accumulated amortization and any impairment losses.
- E. Capital work in progress includes cost of assets (Net of Input tax credit received/ receivable or refundable taxes) at sites, construction expenditure, advances made for acquisition of capital assets.
- F. The expenditure incidental to the expansion/new projects are allocated to fixed assets in the year of the commencement of commercial production.

5) Depreciation :

- A. Depreciation is provided on "Straight Line Method" on all assets (except freehold land, where no depreciation is provided) as per Section 205 (2) (b) of the Companies Act, 1956 at the rates prescribed in Schedule XIV thereto as amended from time to time.
- B. Depreciation on impaired assets is calculated on its residual value, if any, on a systematic basis over its remaining useful life.

- C. Depreciation on additions/disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.
- D. Fixed assets costing Rs. 5000/- or less are fully depreciated in the year of acquisition.

6) Impairment of Assets :

The carrying value of assets of the Company's cash generating units are reviewed for impairment annually at each Balance Sheet Date or more often if there is an indication of decline in value. If any indication of such impairment exists based on internal/external, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. The impairment loss recognized in prior accounting period is reversed if there has been a change in recoverable amount.

7) Investments :

Investments are classified as Long Term and Current Investments. Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Current Investments are valued at cost or fair value whichever is lower.

8) Inventories :

- A. Raw Materials, Stores and Spare Parts, Packing Materials, Finished Goods and Works-in-Progress are valued at lower of cost and net realizable value after providing for obsolescence, if any.
- B. Cost [Net of Input tax credit availed] of Raw Materials, Stores and Spare Parts, Packing Materials and Finished Goods are determined on FIFO Method.
- C. Cost of Finished Goods and Works-in-Progress is determined by taking material cost [Net of Input tax credit availed], labour and relevant appropriate overheads using the absorption costing method and other costs incurred in bringing them to their respective present location and condition.

9) Employee Benefit :

(a) Short Term :

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

(b) Long Term :

The Company has both defined contribution and defined benefit plans. These plans are financed by the Company in the case of defined contribution plans.

(c) Defined Contribution Plans :

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

(d) Defined Benefit Plans :

Expenses for defined benefit i.e. gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

(e) Leave Liability :

The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognized as at the balance sheet date.

(f) Termination Benefits/Other Long Term Benefits :

Termination benefits are recognized as and when incurred. Other long term employee benefits are recognized in the same manner as defined benefit plans.

10) Central Excise Duty :

- A. Excise duty is accounted gross of Cenvat benefit availed on inputs, fixed assets and eligible services.
- B. Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock/bonded warehouses.

11) Foreign Currency Transactions :

- A. The transactions in foreign currencies on revenue accounts are stated at the rates of exchange prevailing on the dates of transactions.
- B. Assets and liabilities (monetary items) in foreign currencies outstanding at the close of year are, converted in Indian currency at the appropriate rate of exchange prevailing on the date of the balance sheet. The resultant gain or loss is accounted during the year.
- C. The net gain or loss on account of exchange differences either on settlement or on translation of short term monetary items is recognized in the Profit and Loss Account.
- D. The net gain or loss on account of exchange differences either on settlement or on translation of short term monetary.
- E. The net gain or loss on account of exchange differences either on settlement or on translation of long term monetary items including long term forward contracts is recognised under "Foreign Currency Monetary Items Translation Difference Account" [FCMITDA], except in case of foreign currency loans taken for funding of fixed assets, where such difference is adjusted to the cost of respective fixed assets. The FCMITDA is amortized during the tenure of loans but not beyond March 31, 2020.
- F. Investments in foreign subsidiaries are recorded in Indian Currency at the rates of exchange prevailing at the time when the investments were made.
- G. The foreign currency assets and liabilities including forward contracts are restated at the prevailing exchange rates at the year end. The premium in respect of forward contracts is accounted over the period of the contract.

12) Borrowing Cost :

- A. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- B. All other borrowing costs are charged to Profit and Loss Account in which they are incurred.

13) Earning per Share :

- A. Basic earnings per share are calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares in issue during the year.
- B. Diluted earnings per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

14) Provisions, Contingent Liabilities and Contingent Assets :

Provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

15) Taxation :**Current Tax :**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax :

Deferred Tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

16) Cash Flow Statement :

- A. The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.
- B. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

PROXY FORM
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : L17110GJ1984PLC007124

Name of the company: Gujarat Raffia Industries Limited

Registered office : Plot No.455, Santej Vadsar Road, Village: Santej, Taluka: Kalol-382721.Dist:Gandhinagar.

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name : _____
 Address : _____
 E-mail Id : _____
 Signature : _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual general meeting of the company, to be held on the Tuesday 23rd day of September, 2014 At 05.00 p.m. at registered office and at any adjournment thereof in respect of such resolutions as are indicated below :

RESOLUTION NO.	RESOLUTIONS	OPTIONAL	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Financial Statements as at 31st March, 2014 including the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon.		
2.	To appoint a Director in place of Mr. Pradeep Ratanlal Bhutoria (DIN: 00284808) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment		
3.	To appoint Statutory Auditors and fix their remuneration		
Special Business			
4.	Appointment of Mr. Alpesh Rajeshbhai Tripathi (DIN: 00170278) as an Independent Director of the Company		
5.	Appointment of Mr. Dipen Mahasukhlal Shah (DIN: 06385027) as an Independent Director of the Company		
6.	Increase Borrowing Powers of the Board		
7.	Creation of Charge on the assets of the Company		
8.	Ratification of Remuneration of Cost Auditors of the Company for the Year 2014-15		

Signed this _____ day of _____ 2014.

 Signature of shareholder

 Signature of Proxy holder(s)

Notes :-

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 28th Annual General Meeting.
 - It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission

GUJARAT RAFFIA INDUSTRIES LIMITED

(CIN: L17110GJ1984PLC007124)

Registered Office: Plot No.455, Santej Vadsar Road, Village: Santej, Taluka: Kalol-382721.Dist: Gandhinagar

ATTENDANCE SLIP

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

DP ID** : _____

CLIENT ID : _____

REGD. FOLIO NO. : _____

NO. OF SHARES HELD : _____

Full name of the member attending _____

Full name of the first joint-holder _____

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 28th ANNUAL GENERAL MEETING being held at Plot No.455, Santej Vadsar Road, Village: Santej, Taluka: Kalol-382721.Dist: Gandhinagar on Tuesday, the 23rd September, 2014 at 5:00 P.M.

 Member's / Proxy's Signature
 (To be signed at the time of handing over of this slip)

** Applicable to the members whose shares are held in dematerialized form.

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

Book Post

To

If undelivered Please return to :

GUJARAT RAFFIA INDUSTRIES LIMITED

Registered Office : Plot No.455, Santej Vadsar Road,

Village: Santej, Taluka: Kalol-382721.Dist: Gandhinagar.

Gujarat Raffia Industries Limited



G-101, Titanium Square, Thaltej Chokdi, S. G. Highway, Ahmedabad - 380 054.
Phone: (91-79) 29702373/29702606 Fax: (91-79) 29702614
E-mail: accounts@grilrpi.com, fin@grilrpi.com website: www.grilrpi.com
CIN: L17110GJ1984PLC007124

22nd October, 2014

To,
M/s. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001

Ref.: Scrip Code 523836

Subject: Covering Letter of Annual Audit Report to be filed with the Stock Exchange under Clause 31(a) of the Listing Agreement.

Dear Sir,

With reference to your e-mail dated 21st October, 2014 (copy attached), we are re-submitting herewith the following:

In terms of Clause 31(a) of the Listing Agreement, the report is as under:

FORM A Format of covering letter of the annual audit report to be filed with the stock exchanges

Sr. No	Particular	Details
1.	Name of the Company:	Gujarat Raffia Industries Limited (CIN: L17110GJ1984PLC007124)
2.	Annual financial statements for the year ended	March, 2014 (i.e. 1 st April, 2013 to 31 st March, 2014)
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	Managing Director

Regd. Office: 455, Santej-Vadsar Road, Santej - 382721, Tal. Kalol, Dist. Gandhinagar, Gujarat

Gujarat Raffia Industries Limited

C-401, Titanium Square, Thaltej Chokdi, S. G. Highway, Ahmedabad - 380 054.



E-mail: accounts@griltarn.com fin@griltarn.com website: www.griltarn.com
CIN: L17110GJ1984PLC007124

FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchange

Sr. No.	Description	Particulars
1.	Name of the company	Gujarat Raffia Industries Limited (CIN: L17110GJ1984PLC007124)
2.	Annual financial statements for the year ended	March, 2014(i.e. 1 st April, 2013 to 31 st March, 2014)
3.	Type of Audit qualification	Not Applicable
4.	Frequency of qualification	Not Applicable
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Not Applicable
6.	Additional comments from the board/audit committee chair:	Not Applicable
7.	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	Managing Director

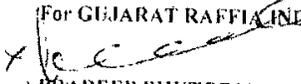
We have again enclosed herewith CD containing pdf copy of Annual Report 2013-14.

Kindly take note of the same.

Thanking You.

Yours Faithfully,

For GUJARAT RAFFIA INDUSTRIES LIMITED


PRADEEP BHUTORIA
MANAGING DIRECTOR

Encl.: As Above