

**27<sup>th</sup> ANNUAL REPORT  
2012-13**



**GUJARAT RAFFIA INDUSTRIES LIMITED**

**GUJARAT RAFFIA INDUSTRIES LIMITED**

**27<sup>TH</sup> ANNUAL REPORT 2012-13**

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

**AUDITORS** : M/s. PGT & Associates  
Chartered Accountants,  
Ahmedabad.

**BANKERS** : Union Bank of India

**REGISTERED OFFICE  
& WORKS** : Plot No. 455,  
Santej Vadsar Road,  
Village:Santej,  
Taluka:Kalol-382 721.  
Dist:Gandhinagar.

**REGISTRAR AND  
SHARETRANSFER AGENT** : M/s. Link Intime India Pvt Ltd., (Ahmedabad Branch)  
303, Shopper's Plaza, -V,  
Opp. Municipal Market, Off C G Road,  
Navrangpura,  
Ahmedabad-380 009.

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**NOTICE**

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

Date : 27<sup>th</sup> September, 2013

Day : Friday

Time : 2.00 p.m.

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:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit and Loss for the year ended as on that date, together with the Schedules thereon, the Cash Flow Statement, the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Prakash Ramnani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs. Sushma P. Bhutoria, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors and to 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:  
"RESLOVED THAT M/s. PGT & Associates, Chartered Accountants, Ahmedabad be and are hereby appointed as the auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed to between the Board of Directors and the Auditors of the Company."

**By Order of the Board,**

Date :30.05.2013

**Pradeep Bhutoria**

Place : Santej Chairman & Managing Director

**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 HERSELF/HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- 2) 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 authorising their representative to attend and vote on their behalf at the Meeting.
- 3) Pursuant to the Section 154 of the Companies Act, 1956, Register of Members and Share Transfer Book of the Company will remain closed from Tuesday, 24<sup>th</sup> September, 2013 to Friday, 27<sup>th</sup> September, 2013 (both days inclusive).
- 4) Member intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
- 5) Members are requested to:
  - a. Intimate, if shares are held in the same name or in the same order and names, but in more than account to enable the company to club the said accounts into one account.
  - b. Notify immediately the change in their registered address, if any, to the company.
- 6) Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
- 7) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 8) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
- 9) The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars standing that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses to Link Intime India Pvt. Ltd., Registrar and Transfer Agent of the Company.

**By Order of the Board,**

Date :30-05-2013

**Pradeep Bhutoria**

Place : Santej Chairman & Managing Director

**GUJARAT RAFFIA INDUSTRIES LTD.****DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the **Twenty Seventh** Annual Report together with the Audited Statement of Accounts for the year ended on **31<sup>st</sup> March, 2013**.

**1. FINANCIAL RESULTS:**

Particulars	(Rs. in lacs) Financial Year Ended 31-03-2013 (12 Months)	(Rs. in lacs) Financial Year Ended 31-03-2012 (12 Months)
Operating Profit / Loss (Before Interest and Depreciation)	178.10	148.84
Less : Interest	40.47	25.46
Profit / Loss before Depreciation	137.63	123.38
Less: Depreciation	65.35	52.94
Profit/Loss for the year	72.28	70.44
Add: Extraordinary Income (Net)	-	-
Add: Prior Period Income	-	-
Profit/Loss before Tax	72.28	70.44
Fringe Benefit Tax	0.00	0.00
Provision for Taxation	14.25	13.5
Profit/Loss after Tax	58.03	56.94

**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.30,00,17,878/- as compared to Rs.29,18,04,726/- and earned other income of Rs.4,50,013/- (12 months) as compared to Rs.24,72,195/- for 12 months ended 31.03.2012. The Profit before tax for the period under review is Rs.72,28,793/- as compared to Rs. 70,43,692/- (12 months) in the previous which is gone up by 2.62% due to sales increase. The Profit after tax during the year under review is Rs.58,03,793/- as against Rs.56,93,692/- (12 months) in the previous year 2011-12.

**4. DIRECTORS:**

Mr. Prakash Ramnani, Director and Mrs. Sushma P. Bhutoria, Whole Time Director retires by rotation from the Board in pursuance of provisions of Section 256 of the Companies Act, 1956 and being eligible offers themselves for reappointment.

**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:

- That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- 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 **31<sup>st</sup> March, 2013** and of profit or loss of the company.
- 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 dematerialise 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 AUDITORS:**

The present Auditors of the Company M/s. PGT & Associates, Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. They have submitted certificate for their eligibility for re appointment under Section 224(1 B) of the Companies Act, 1956.

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.

**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 :30.05.2013  
Place : Santej

**Pradeep Bhutoria**  
Chairman & Managing Director

**GUJARAT RAFFIA INDUSTRIES LTD.****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

<b>Particulars</b>	<b>(2012-13) Current Year</b>	<b>(2011-12) Previous Year</b>
Foreign Exchange Earning	Rs. 6,79,99,549	Rs. 10,32,68,601
Foreign Exchange Outgo	Rs. 3,98,11,674	Rs. 4,69,07,621

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**

<b>SR No.</b>	<b>Particulars</b>	<b>For 31<sup>st</sup> March, 2013</b>	<b>For, 31<sup>st</sup> March, 2012</b>
<b>A</b>	<b>Power and Fuel</b>		
1	Electricity		
	<b>a) Purchased</b>		
	Unit	29,24,888	31,93,816
	Total Amount (in lacs)	197.67	200.95
	Rate/Unit (Rs.)	6.75	6.29
	<b>b) Own Generation</b>		
	Through diesel generator		
	Unit	2816	2503
	Total Amount (Rs. In lacs)	0.44	0.35
	Rate/Unit (Rs.)	15.51	14.06
2	Coal	Nil	Nil
3	Furnace oil	Nil	Nil
4	LSHS of HDPE Fabrics/Sheets (Kg.)	Nil	Nil
<b>B</b>	<b>Consumption per Unit of Production Of HDPE fabrics/sheets (kg.)</b>	1.088	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. 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 held on 29 <sup>th</sup> Sept., 2012 Yes(Y)/No(N)
Pradeep Bhutoria Chairman & Managing Director	Executive	3	—	5	N
Sushma P. Bhutoria	Executive	2	—	5	N
Alpesh R. Tripathi	Independent Non- executive	—	—	5	Y
Prakash D. Ramnani	Independent Non-executive	1	—	5	Y
Dipen M. Shah	Independent Non-Executive	-	-	2	N

\* Private Companies excluded

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

Name of Director	Prakash D. Ramnani	Sushma Bhutoria
Date of Birth	22-06-1961	25-08-1962
Date of Appointment	01-04-2006	21-02-2008
Expertise in specific functional areas	Finance & Administration	Business Administration
List of other Public Limited Companies in which Directorships held	Arihant Corporate Services Limited	Asian Gases Limited Bengal Business Limited
Chairman/Member of the Committees of the Board of the Directors of the Company	Audit Committee & Remuneration Committee	Nil
Chairman/Member of the Committees of Directors of other public limited companies.	Nil	Nil

## GUJARAT RAFFIA INDUSTRIES LTD.

### 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 30-05-2012, 30-06-2012, 14-08-2012, 09-11-2012, and 09-02-2013.

### 3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Pradeep Bhutoria	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 30-05-2012, 14-08-2012, 09-11-2012 and 09-02-2013.
Prakash D. Ramnani			
Alpesh R. Tripathi			

### 4. 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

Details of remuneration paid:

1. The Company paid Managerial Remuneration of Rs.6,00,000/- to Shri Pradeep Bhutoria, Managing Director during the year 2012-13.
2. The Company paid Managerial Remuneration of Rs.4,20,000/- to Smt. Sushma Bhutoria, Whole Time Director during the year 2012-13.
3. The other Directors were not paid sitting fees. No Commission or Stock Option has been offered to the Directors

### 5. 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 Prakash Ramnani, 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 13 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 31<sup>st</sup> March, 2013.



**6. GENERAL BODY MEETINGS:**

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

Financial Year	Date	Time	Venue
2009-10 (15 months)	10-06-2010	2.00 P.M.	Registered Office : Plot No.455, Santej-Vadsar Road, Village: Santej, Taluka : Kalol-382 721, Dist : Gandhinagar.
2010-11 (12 months)	05-09-2011	2.00 P.M.	
2011-12 (12 months)	29-09-2012	2.00 p.m.	

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

Special Resolution for the re-appointment of Mr. Pradeep Bhutoria as Managing Director of the Company for the period of five years w.e.f. 1<sup>st</sup> 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. 1<sup>st</sup> 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.

**7. 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, structure imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

**8. 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 31<sup>st</sup> March, 2013, no presentation was made to Institutional Investors or analyst or any other enterprise.
- Management Discussion and Analysis form part of the Annual Report.

**9. SHAREHOLDERS' INFORMATION:**

- Registered Office : Plot No.455, Santej-Vadsar Road,  
Village: Santej, Taluka : Kalol-382 721,  
Dist : Gandhinagar.
- Annual General Meeting : Day : Friday  
Date : 27<sup>th</sup> September, 2013  
Time : 2.00 p.m.  
Venue : Plot No. 455, Santej - Vadsar Road,  
Village: Santej,  
Taluka : Kalol - 382 721,  
Dist : Gandhinagar.

**GUJARAT RAFFIA INDUSTRIES LTD.**

- c) Financial Calendar :  
1st Quarter Results : Mid August, 2013.  
Half-yearly Results : Mid November, 2013.  
3<sup>rd</sup> Quarter Results : Mid February, 2014.  
4<sup>th</sup> Quarterly Results : End May, 2014.  
Audited yearly Results : End May, 2014.
- d) Book Closure Dates : From : To  
24<sup>th</sup> September, 2013 27<sup>th</sup> September, 2013
- 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<sup>th</sup> 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 Pvt. Ltd. : Ahmedabad Branch,  
303, Shopper's Plaza, - V , Opp Municipal Market , Off C G Road,  
Navarangpura, Ahmedabad – 380 009.  
Tele. No.: (079) 26465179  
e-mail Address: 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		No. of Shares Traded
	High (Rs.)	Low (Rs.)	
April, 2012	3.48	3.07	40
May, 2012	3.41	2.93	70
June, 2012	4.21	2.84	87
July, 2012	4.65	3.57	92
August, 2012	4.20	3.33	43
September, 2012	4.28	3.10	87
October, 2012	3.90	2.99	58
November, 2012	4.25	2.80	35
December, 2012	3.82	3.01	46
January, 2013	3.49	2.87	57
February, 2013	3.04	2.68	31
March, 2013	2.83	2.24	40

- 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.