

**25<sup>th</sup> ANNUAL REPORT**  
**2010-11**



**GUJARAT RAFFIA INDUSTRIES LIMITED**

# GUJARAT RAFFIA INDUSTRIES LIMITED

## 25<sup>TH</sup> ANNUAL REPORT 2010-11

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

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

**BANKERS** : Syndicate Bank

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

**REGISTRAR AND  
SHARE TRANSFER AGENT** : M/s. Link Intime India Pvt Ltd.,  
211, Sudarshan Complex,  
Near Mithakali Under Bridge,  
Navrangpura,  
Ahmedabad-380 009.

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**NOTICE**

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

Date : 5<sup>th</sup> September, 2011  
 Day : Monday  
 Time : 2.00 p.m.  
 Place : At the Registered Office of the Company  
 at: Plot No.455, Santej-Vadsar Road,  
 Village : Santej, Taluka : Kalol - 382721.  
 Dist : Gandhinagar.

to transact the following business:

**ORDINARY BUSINESS:**

1. To receive and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Balance Sheet as on that date along with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mrs. Sushma P Bhutoria, who retires by rotation and being eligible, offers her for reappointment.
3. To appoint Auditors and in that connection to pass with or without modification, the following resolution as an Ordinary Resolution.

**"RESLOVED THAT** M/s. P.G. Tulsian & Company, Chartered Accountants, Ahmedabad be and are hereby appointed as the auditors of the Company in place of the retiring Auditors M/s. Talati & Talati, Chartered Accountants, Ahmedabad to hold office until the conclusion of next Annual General Meeting at a remuneration as may be decided by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

**4. REAPPOINTMENT OF MR. PRADEEP BHUTORIA AS MANAGING DIRECTOR:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 314, 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the reappointment of Shri Pradeep Bhutoria as Managing Director of the Company for a period of five years with effect from 1st January, 2012 to 31st December, 2016 on the terms and conditions (as approved by the 'Remuneration Committee') set out in the draft agreement of appointment submitted to this meeting duly initialled by the Chairman for identification and that he be paid remuneration by way of Salary and Perquisites not exceeding the amount thereof as set out in the accompanying explanatory statement which is permissible under Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board

of Directors of the Company from time to time."

**"RESOLVED FURTHER THAT** the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again."

**By Order of the Board,**

Date :28.07.2011

Place : Santej

**Pradeep Bhutoria**

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) Pursuant to the Section 154 of the Companies Act, 1956, Register of Members and Share Transfer Book of the Company will remain closed from Thursday, the 1<sup>st</sup> Day of September, 2011 to Monday, the 5<sup>th</sup> Day of September, 2011 (both days inclusive).
- 3) 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.
- 4) 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.
- 5) 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. Your

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Company intends to send Annual Report by electronics mode from next year. 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 :28.07.2011

Place : Santej

**Pradeep Bhutoria**

Chairman & Managing Director

### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

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

Shri Pradeep Bhutoria was appointed as Managing Director of the Company for a period of five years from 1st January, 2007.

The Board of Directors, on the recommendation on Remuneration Committee, in their meeting held on 28th July, 2011 has reappointed Shri Pradeep Bhutoria as Managing Director for a further period of five years i.e. from 1st January, 2011 to 31st December, 2016.

The major common terms and conditions of their reappointment are as under:

**I. PERIOD:** The term of the Managing Director shall be for a period of five years from 1st January, 2012 to 31st December, 2016.

#### **II. REMUNERATION:**

**A. SALARY:** The Managing Director shall be entitled to salary upto Rs. 1,00,000/- per month as may be mutually decided by the Board of Directors of the Company with Mr. Pradeep Bhutoria.

#### **B. PERQUISITES:**

1. Medical Reimbursement: Medical Reimbursement expenses incurred for the Managing Director and family subject to a ceiling of one month's salary per year or three months salary over a period of three years.
2. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
4. Encashment of leave at the end of the tenure.
5. Reimbursement of Medical expenses for himself and family.
6. Free use of Company's car for Company's business and free telephone facility at residence.
7. Leave Travel Concession for himself and family at a rate not exceeding one month's salary for one year or three month's salary in block of three years.

**C. COMMISSION:** The Managing Director shall be entitled to commission of 1% of the net profits of the Company so that for any year of aggregate of salary, perquisites and commission shall not

exceed the overall ceilings laid down under Section 198 and 309 of the Companies Act, 1956.

**III.** The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

**IV.** The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

**IV. DUTIES:** Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

**V. TERMINATION:** The Managing Director may be removed from his office for gross negligence, breach of duty or trust if the Company a special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 90 days' notice to the Company.

**VI. COMPENSATION:** In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956.

As per the provisions of Sections 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Special Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors appointing Shri Pradeep Bhutoria as Managing Director and Draft agreements of appointment are open for inspection at the Registered Office of the Company between 11.00 A. M. to 1.00 P. M. on any working day prior to the date of the meeting.

Shri Pradeep Bhutoria and Smt. Shushma Bhutoria are concerned or interested in the business since it relates to appointment of Shri Pradeep Bhutoria as Managing Director of the Company. Except them, none of the other Directors is in any way concerned or interested in the aforesaid resolution.

**By Order of the Board,**

**Pradeep Bhutoria**

Chairman & Managing Director

Date :28.07.2011

Place : Santej

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the Twenty Fifth Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2011.

**1. FINANCIAL RESULTS:**

Particulars	(Rs. in lacs) Financial Year Ended 31-03-2011 12 Months	(Rs. in lacs) Period Ended 31-03-2010 15 Months
Operating Profit / Loss (Before Interest and Depreciation)	159.68	218.67
Less : Interest	22.88	43.71
Profit / Loss before Depreciation	136.80	174.96
Less: Depreciation	67.88	74.65
Profit/Loss for the year	68.92	100.31
Add: Extraordinary Income (Net)	0.00	0.00
Add: Prior Period Income	0.00	(0.12)
Profit/Loss before Tax	68.92	100.19
Fringe Benefit Tax	0.00	0.15
Provision for Taxation	12.78	15.48
Profit/Loss after Tax	56.14	84.56

**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, the Company has recorded a total sales of Rs. 27,21,89,696.00 for the financial year 2010-11 as compared to Rs.29,75,50,925.00 for the financial year ended 31<sup>st</sup> March, 2010 (15 months). The Profit before tax for the period under review is Rs. 68,92,116.00 as compared to Rs.1,00,19,452.00 in the previous year. The Profit after tax during the year under review is Rs.56,14,116.00 as against Rs. 84,56,452.00 in the previous financial year ended 31<sup>st</sup> March, 2010 (15 months).

**4. DIRECTORS:**

Mrs. Sushma P. Bhutoria retires by rotation in terms of Article of Association of the company. She, however, being eligible offer herself 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:

- 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 31<sup>st</sup> March, 2011 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.

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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, Ahmedabad, Calcutta 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 INE897A01011.

### 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:

M/s. Talati & Talati, Chartered Accountants, Ahmedabad, the retiring Auditors of the Company have expressed their unwillingness to be reappointed as the Auditors of the Company. The Board of Directors recommend the appointment of M/s. P.G. Tulsian & Company, Chartered Accountants, Ahmedabad as the statutory Auditors of the Company in place of M/s. Talati & Talati, Chartered Accountants, from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. P.G. Tulsian & Company, Chartered Accountants have also expressed their willingness to act as Auditors of the Company.

We take this opportunity to thank M/s. Talati & Talati, Chartered Accountants, Ahmedabad, for their co-operation & understanding.

#### 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 :28.07.2011  
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	Previous Year
Foreign Exchange Earning	Rs. 10,56,93,397/-	Rs. 7,31,36,129/-
Foreign Exchange Outgo	Rs. 4,86,14,259/-	Rs. 9,44,87,355/-

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

SR No.	Particulars	For 31 <sup>st</sup> March, 2011	For, 31 <sup>st</sup> March, 2010
<b>A</b>	<b>Power and Fuel</b>		
1	Electricity		
	<b>a) Purchased</b>		
	Unit	30,95,370	30,70,244
	Total Amount (in lacs)	<b>177.62</b>	214.38
	Rate/Unit (Rs.)	<b>5.71</b>	6.95
	<b>b) Own Generation</b>		
	Through diesel generator		
	Unit	<b>3181</b>	4985
	Total Amount (Rs. In lacs)	<b>0.41</b>	0.64
	Rate/Unit (Rs.)	<b>12.98</b>	12.93
2	Coal	<b>Nil</b>	Nil
3	Furnace oil	<b>Nil</b>	Nil
4	LSHS of HDPE Fabrics/Sheets (Kg.)	<b>Nil</b>	Nil
<b>B</b>	<b>Consumption per Unit of Production Of HDPE fabrics/sheets (kg.)</b>	<b>1.028</b>	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 10th June, 2010 Yes(Y)/ No(N)
Pradeep Bhutoria Chairman & Managing Director	Executive	2	—	06	Y
Alpesh R. Tripathi	Independent Non- executive	—	—	06	Y
Prakash D. Ramnani	Independent Non-executive	—	—	06	Y
Sushma P. Bhutoria	Non Executive	2	—	06	Y

\* Private Companies excluded

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

Name of Director	Sushma Bhutoria
Date of Birth	25-08-1962
Date of Appointment	21-02-2008
Expertise in specific functional areas	Business Administration
List of Public Limited Companies in which Directorships held	Asian Gases Limited Bengal Business Limited
Chairman/Member of the Committees of the Board of the Directors of the Company	Remuneration Committee
Chairman/Member of the Committees of Directors of other 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 28-04-2010, 04-05-2010, 30-07-2010, 30-10-2010, 29-01-2011 and 21-02-2011.

**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 and Internal Auditors were present at the meeting held on 28-04-2010, 04-05-2010, 30-07-2010, 30-10-2010 & 29-01-2011.
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 Companies comprises the following Directors as members:

1. Prakash D. Ramnani, Member- Non- Executive
2. Alpesh R. Tripathi, Member- Non –Executive Independent
3. Smt. Sushma Bhutoria, Member - Non Executive

Details of remuneration paid:

1. The Company paid Managerial Remuneration of Rs.393600/- to Shri Pradeep Bhutoria, Managing Director during the year 2010-11.
2. 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.

Ms. Dhanlaxmi Nair is the Compliance Officer for the above purpose.

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### 6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2006-07 (18 months)	01-01-2008	2.00 P.M.	Registered Office : Plot No.455,
2007-08 (15 months)	27-03-2009	2.00 P.M.	Santej-Vadsar Road, Village: Santej,
2009-10 (15 months)	10-06-2010	2.00 P.M.	Taluka : Kalol-382 721, Dist : Gandhinagar.

### 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.
- 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'/ 'Economic 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, 2011, 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 : Monday  
Date : 5<sup>th</sup> September, 2011  
Time : 2.00 p.m.  
Venue : Plot No. 455, Santej - Vadsar Road,  
Village: Santej,  
Taluka : Kalol - 382 721,  
Dist : Gandhinagar.
- Financial Calendar :  
1st Quarter Results : Mid August, 2011.  
Half-yearly Results : Mid November, 2011.  
3<sup>rd</sup> Quarter Results : Mid February, 2012.  
4<sup>th</sup> Quarterly Results : Mid May, 2012.  
Audited yearly Results : End July, 2012.

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d) Book Closure Dates : From 1<sup>st</sup> September, 2011 to 5<sup>th</sup> September, 2011

e) Registrar and Share Transfer Agents :  
In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2003 dated 27<sup>th</sup> 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.  
211, Sudarshan Complex, Near Mithakhali Under Bridge,  
Navarangpura, Ahmedabad – 380 009.  
Tele. No.: (079) 26465179 Fax 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
Ahmedabad Stock Exchange Limited	20214
Bombay Stock Exchange Limited	526965
The Calcutta Stock Exchange	-
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, 2010	13.07	9.69	537
May, 2010	11.55	9.01	286
June, 2010	10.43	8.95	263
July, 2010	10.14	8.25	376
August, 2010	10.29	8.77	344
September, 2010	10.30	8.90	457
October, 2010	10.05	9.00	429
November, 2010	11.25	7.82	332
December, 2010	8.70	6.27	188
January, 2011	9.00	6.31	85
February, 2011	7.83	4.71	124
March, 2011	6.00	4.52	85

j) Share Transfer System :

The transfer of shares in physical form is processed and completed by M/s. Link Intime India Private Limited. within a period of 25 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.

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k) Distribution of Shareholding as on 31<sup>st</sup> March, 2011:

No. of Equity Shares held	No. of Shareholders	% of Share-holders	No. of Shares held	% of Shareholding
Upto 500	28957	98.4363	2690238	53.8610
501 to 1000	275	0.9348	210642	4.2172
1001 to 2000	116	0.3943	160851	3.2204
2001 to 3000	32	0.1088	78661	1.5749
3001 to 4000	10	0.0340	35067	0.7021
4001 to 5000	7	0.0238	31883	0.6383
5001 to 10000	7	0.0238	47004	0.9411
10001 & Above	13	0.0442	1740429	34.8450
Total	<b>29417</b>	<b>100.00</b>	<b>4994775</b>	<b>100.00</b>

l) Category of Shareholders as on 31<sup>st</sup> March, 2011:

Category	No. of Shares held	% of Shareholding
Promoters including Promoter Company	1686647	33.77
Financial Institutions/ Banks	—	—
Mutual Fund	—	—
Bodies Corporate	77975	1.56
NRIs	32525	0.65
Foreign National	500	0.01
Other (Clearing Member)	16874	0.34
Public	3180254	63.67
Total	4994775	100.00

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 Shares. : The Company has entered into Shares Agreement with NSDL/CDSL for Dematerialisation of Shares. As on 31<sup>st</sup> March, 2011, a total of 26,73,832 Shares of the Company which form 53.53 % of the Share Capital of the Company stands dematerialised.

**10. PLANT LOCATIONS:**

The Company's Plant is situated at:  
Plot No. 455, Santej - Vadsar Road,  
Village: Santej,  
Taluka : Kalol - 382 721,  
Dist : Gandhinagar.

**11. ADDRESS FOR CORRESPONDENCE:**

For both Physical and Electronic Form:

M/s. Link Intime India Pvt. Ltd.

211, Sudarshan Complex,

Near Mithakhali Under Bridge, Navarangpura, Ahmedabad – 380 009.

Tele. No.: (079) 26485179

Fax No.: (079) 26485179

e-mail Address: [ahmedabad@linkintime.co.in](mailto: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 72, 28 66 32

Compliance Officer : Ms. Dhanlaxmi Nair

**For and on behalf of the Board,**

Date : 28-07-2011

Place : Santej.

**Pradeep Bhutoria**

*Chairman*

**Auditors's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement**

To the Members of Gujarat Raffia Industries Limited,

1. We have reviewed the implementation of Corporate Governance by M/s. Gujarat Raffia Industries Limited, during the year ended 31<sup>st</sup> March, 2011 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.  
  
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affair of the Company.
3. We state that no major investor grievances are pending for period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee and certified by the Company.
4. On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchange have been complied with in all material respect by the Company.

**For M/s. Talati & Talati,**  
Chartered Accountants  
(Firm Reg.No.: 110758W)

Date : 28-07-2011  
Place : Ahmedabad.

**Umesh H. Talati**  
*Partner*  
( Mem.No. 034834)

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**MANAGEMENT DISCUSSION AND ANALYSIS**

**a. Industry Structure and Developments:**

The Industry is dependent on performance of core sectors like agriculture, fertilizer, cement and exports. Due to indifferent monsoon during last few years and in general due to economic slowdown; the performance of the above sectors was hit. The policy changes in infrastructure and good monsoon during the year will lead towards the brighter future of the company.

**b. Opportunities and Threats:**

The HDPE/PP woven Sacks/Bags industry as a whole will be benefitted by 40% relaxation of Jute Mandatory and Packaging order which will be enable food corporation of India and other agencies to pack 40% of food grains in HDPE/PP Bags 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 50% of its production.

**c. Segmentwise 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.

**e. Risks and Concerns:**

The industry is plagued by intense competition due to major petrochemical manufacturers making available cheap 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 2010-2011 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 : 28.07.2011  
Place : Santej

**Pradeep Bhutoria**  
*Chairman & Managing Director*

**AUDITOR'S REPORT**

To  
The Shareholders,  
GUJARAT RAFFIA INDUSTRIES LIMITED  
Santej.

1. We have audited the attached Balance Sheet of **GUJARAT RAFFIA INDUSTRIES LIMITED** as at 31st March 2011, and the Profit and Loss Account and also the Cash-flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') we annex here to a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books;
  - (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Act;
  - (e) On the basis of the written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors of the company are disqualified as on March 31, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, **subject to the provision for the Leave Encashment benefits as required by the Accounting Standard-15 'Employee Benefits' and in absence of actuarial valuation, impact for Leave Encashment on Profit and Loss Account is not ascertainable**, the said financial statements together with significant accounting policies and notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - ii) In the case of the Profit and Loss Account, of the profit of the company for the year ended on that date; and
    - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For M/s. Talati & Talati**  
Chartered Accountants  
(Firm Reg. No. : 110758W)

Date : 28/07/2011  
Place : Ahmedabad.

**Umesh H. Talati**  
*Partner*  
Mem.No. 034834

## **GUJARAT RAFFIA INDUSTRIES LTD.**

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### **Referred to in paragraph 3 of our report of even date.**

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b) As explained to us, a major portion of the fixed assets has been physically verified by the management during the year in accordance with a phased program of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us, Fixed Assets disposed off during the year were not substantial & therefore do not affect the Going Concern assumption.
- ii) 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 explanations 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 discrepancies noticed on Physical Verification of Inventories as compared with the book records.
- iii) a) 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: 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 & d are not applicable.
- e) According to information and explanation given to us and on the basis of records produced before us the company has taken loan from two companies in the earlier years covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3,07,35,037/- and year end balance of loans taken from such party is Rs. 2,75,29,328/-
- f) In our opinion, 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 prima facie not prejudicial to the interest of the company.
- g) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- iv) In our opinion & 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 the purchase of inventory, fixed assets & also for the sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
- v) a) In our opinion and according to the information & explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under section 301 of the Companies Act, 1956.
- b) In our opinion, and according to information and explanation given to us, the transactions of Purchase of goods, and materials and Sale of goods, materials, Fixed Assets and Services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rupees Five lacs or more in respect of each party, have been made at prices which are reasonable, having regard to the prevailing market prices for such Goods ,Materials ,Fixed assets and Services or the prices at which the transactions for similar Goods ,Materials, Fixed Assets and Services have been made with other parties.
- 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 our 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.



- vii) The Company has appointed internal auditors and has carried out internal audit during the year. In our opinion based on the 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) The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Act. Hence, the provision of this clause is not applicable to the company.
- ix) a) According to the records of the company, the company is generally regular in depositing undisputed Statutory dues including provident fund, employees State Insurance, Income-tax, Wealth-tax, Service Tax, Sales-tax, Customs duties, excise duty, cess and other statutory dues with the appropriate authorities.
- 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 not been deposited on account of any dispute except the following:

Sr. No.	Name of the Statute	Nature of Dues	Forum where the matter pending	Unpaid Amount (Rs)
1.	The Industrial Dispute Act, 1947	Labour Matters	Labour Court, Ahmedabad.	5,00,000/-
2.	Employee's State Insurance Act, 1948	ESIC	ESI Tribunal, Ahmedabad.	7,00,000/-

- 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 bank during the year. The company has not taken loans from financial institution and has not issued debentures during the period under review.
- xii) In our opinion & according to the information & explanation given to us, no loans & advances have been granted by the company on the basis of security by way of pledge of shares, debentures & other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society etc.
- xiv) According to the information & explanations 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 loans taken by others from bank or financial institution hence the provision of this clause is not applicable to the company.
- xvi) During the year under report, Company has not taken any term loan.
- xvii) According to the information and explanations 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. 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) According to the information & explanations given to us and based on management representation, no fraud on or by the company has been noticed or reported during the course of our Audit.

**For M/s. Talati & Talati,**  
Chartered Accountants  
(Firm Reg. No :110758W)

Date : 28/07/2011  
Place : Ahmedabad.

**Umesh H. Talati**  
Partner  
Mem.No. 034834

**GUJARAT RAFFIA INDUSTRIES LTD.**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

Particulars	Schedule	As on	
		31-03-2011 (12 Months) Amount (Rs.)	31-03-2010 (15 Months) Amount (Rs.)
<b>(A) SOURCES OF FUNDS:</b>			
Share Capital	1	4 99 47 750	4 99 47 750
Reserves & Surplus	2	3 82 29 464	3 25 62 543
		<b>8 81 77 214</b>	8 25 10 293
<b>LOAN FUNDS</b>			
Secured Loans	3	1 78 56 542	2 00 23 778
Unsecured Loans	4	3 09 95 635	2 27 02 458
		<b>4 88 52 177</b>	4 27 26 236
<b>Total</b>		<b>13 70 29 391</b>	<b>12 52 36 529</b>
<b>(B) APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	17 05 58 872	16 24 38 892
Less: Depreciation		12 24 59 930	11 57 10 999
Net Block		4 80 98 942	4 67 27 893
Capital Work in Progress		39 10 266	93 79 140
		<b>5 20 09 208</b>	5 61 07 033
<b>INVESTMENT</b>			
	6	<b>5 00 500</b>	500
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	7	8 37 77 531	7 96 30 424
Sundry Debtors	8	1 36 02 045	1 45 18 338
Cash & Bank Balances	9	1 09 27 451	11 37 112
Loans & Advances	10	1 66 29 107	1 61 80 175
		<b>12 49 36 134</b>	11 14 66 049
<b>LESS.:</b>			
Current Liabilities & Provisions	11	4 04 16 451	4 23 37 053
<b>NET CURRENT ASSETS</b>		<b>8 45 19 683</b>	6 91 28 996
<b>Total</b>		<b>13 70 29 391</b>	<b>12 52 36 529</b>
<b>NOTES FORMING PART OF THE ACCOUNTS</b>	18		

Schedules referred to above form an integral part of the accounts  
As per our report of even date

**For Talati & Talati**  
Chartered Accountants  
Firm Regn. No.: 110758W

**Umesh H. Talati**  
Partner  
Membership No. 34834

Date : 28.07.2011  
Place : Ahmedabad

**For and on behalf of the Board**

**Pradeep Bhutoria** Managing Director

**Sushma Bhutoria** Director

Date : 28.07.2011  
Place : Santej

**25TH ANNUAL REPORT 2010-11**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	Schedule	Year Ended on 31-03-2011 12 Months Amount (Rs.)	Year Ended on 31-03-2010 15 Months Amount (Rs.)
<b>INCOME :</b>			
Sales		27 21 89 696	29 75 50 925
Waste Sales		15 73 270	22 81 537
		<u>27 37 62 966</u>	<u>29 98 32 462</u>
Less : Excise Duty On Sales		1 72 46 683	1 64 06 808
Net Sales		25 65 16 283	28 34 25 654
Other Income	12	21 95 832	12 31 865
Increase / (Decrease) in stock	13	(6213117)	2 49 36 841
<b>TOTAL</b>		<u>25 24 98 998</u>	<u>30 95 94 360</u>
<b>EXPENDITURE :</b>			
Raw Material Consumption	14	19 19 04 036	23 52 72 328
Manufacturing & Others Expenses.	15	4 46 26 657	5 24 55 270
Interest	16	22 88 147	43 70 600
Depreciation		67 88 041	74 64 915
<b>TOTAL</b>		<u>24 56 06 881</u>	<u>29 95 63 113</u>
<b>PROFIT FOR THE YEAR</b>		<u>68 92 116</u>	1 00 31 247
Prior Period Adjustment	17	-	(11795)
<b>PROFIT BEFORE TAXATION</b>		<u>68 92 116</u>	1 00 19 452
<b>LESS :</b> Provision For Taxation		12 78 000	15 48 000
Fringe Benefit Tax		-	15 000
<b>PROFIT AFTER TAXATION</b>		<u>56 14 116</u>	<u>84 56 452</u>
<b>Basic &amp; Diluted Earning Per Share</b>			
(Face value of Rs. 10 each)		1.12	1.69
<b>NOTES FORMING PART OF THE ACCOUNTS</b>	18		

Schedules referred to above form an integral part of the accounts  
As per our report of even date

**For Talati & Talati**

*Chartered Accountants*

Firm Regn. No.: 110758W

**Umesh H. Talati**

*Partner*

*Membership No. 34834*

Date : 28.07.2011

Place : Ahmedabad

**For and on behalf of the Board**

**Pradeep Bhutoria**

*Managing Director*

**Sushma Bhutoria**

*Director*

Date : 28.07.2011

Place : Santej

**GUJARAT RAFFIA INDUSTRIES LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	For the period ended on 31-03-2011 (12 Months) Amt. in Rupees	For the period ended on 31-03-2010 (15 Months) Amt. in Rupees
<b>A. CASH FLOW FROM OPERATOR ACTIVITIES</b>		
Net Profit before tax	6,892,116	1,00,15,452
Adjustment for:		
Net Prior Period Adjustment	---	11,795
Balances written off	(750,909)	-
Unrealised Foreign Exchange (Gain)/Loss	(707,425)	(685,249)
Depreciation	6,788,041	7,464,915
Interest income	(327,986)	(190,979)
Loss on sale of fixed assets	-	89,247
Profit on sale of fixed assets	(9,148)	-
Interest paid	2,288,147	4,370,600
Operating Loss before working capital changes	14,172,837	21,075,781
Adjustment for :		
Trade & Other Receivables	467,320	5,766,498
Inventories	(4,147,107)	(48,780,319)
Trade Payable	(252,900)	2,443,494
Cash Generated From Operation	10,240,150	(19,494,546)
Direct Taxes Paid (Incl.Fringe Benefit Tax)	(1,434,562)	(716,389)
Net Prior Period Adjustment	-	(11,795)
Net Cash Flow from Operating Activities (A)	8,805,588	(20,222,730)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,811,070)	(8,628,782)
Sale of Fixed Assets	130,000	254,972
Interest Received	327,986	190,979
Investment in Shares of other company	(500,000)	-
Net Cash generated from Investing Activities (B)	(2,853,084)	(8,182,831)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,288,147)	(4,370,600)
Proceed from Secured Borrowing	(2,167,236)	8,756,621
Proceed from other borrowing	8,293,177	11,753,366
Net cash used in Financial Activities (C)	3,837,794	16,139,387
Net Increase (A+B+C)	9,790,297	(12,266,174)
Cash & Cash Equivalent as on 01.04.10	1,137,112	13,403,286
Cash & Cash Equivalent as on 31.03.11	10,927,409	1,137,112

**For Talati & Talati**  
Chartered Accountants  
Firm Regn. No.: 110758W

**Umesh H. Talati**  
Partner  
Membership No. 034834

Date : 28.07.2011  
Place : Ahmedabad

**For and on behalf of the Board**

**Pradeep Bhutoria** Managing Director

**Sushma Bhutoria** Director

Date : 28.07.2011  
Place : Santej

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

Particulars	As at									
	31-03-2011 (12 Months) Amount (Rs.)	31-03-2010 (15 Months) Amount (Rs.)								
<b>SCHEDULE - 1 : SHARE CAPITAL</b>										
AUTHORISED :										
1,10,00,000 Equity Shares of Rs. 10/- each (Previous year 1,10,00,000 Equity Shares of Rs.10/- each)	<b>11 00 00 000</b>	11 00 00 000								
ISSUED, SUBSCRIBED & PAID UP										
49,94,775 Equity Shares of Rs. 10/- each (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 paid up (except calls-in-areas of Rs.10,51,003/- comprising of 2,29,150 shares partly paid up, which had been forfeited ) to Rs.4,99,47,750/- comprising of 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 1961 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)	<b>4 99 47 750</b>	4 99 47 750								
	<b>4,99,47,750</b>	4,99,47,750								
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>										
<b>CAPITAL RESERVE:</b>										
On Forfeiture of 2,29,150 Equity Shares	<b>25 30 849</b>	25 30 849								
<b>GENERAL RESERVE :</b>										
As per last Balance Sheet	<b>1 54 71 216</b>	1 54 18 411								
<b>PROFIT &amp; LOSS ACCOUNT :</b>										
Balance as per Profit & Loss Account	<b>1 46 13 283</b>	61 56 831								
Add : Current period profit as per Profit & Loss Account	<b>56 14 116</b>	84 56 452								
	<b>2 02 27 399</b>	1 46 13 283								
	<b>3 82 29 464</b>	3 25 62 543								
<b>SCHEDULE - 3 : SECURED LOANS</b>										
<b>CASH CREDIT FROM SYNDICATE BANK</b>										
[Secured against entire stock of Raw Material (imported/indigenous) semi-finished good, finished Goods, Book debts and collateral Security of Factory Land and Building, Plant and Machinery)	<b>1 78 56 542</b>	2 00 23 778								
	<b>1 78 56 542</b>	2 00 23 778								
<b>SCHEDULE - 4 : UNSECURED LOANS</b>										
1) Intercorporate Loans	<b>3 01 16 859</b>	2 18 32 262								
2) Vehicle Loans Payable within 12 Months Rs. 6,65,760/-(PY: Rs. 4,76,295/-)	<b>8 78 776</b>	8 70 196								
	<b>3 09 95 635</b>	2 27 02 458								
<b>SCHEDULE - 5 : FIXED ASSETS</b>										
Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-4-10 Rs.	Addition Rs.	Deduc- tion Rs.	As at 31-3-11 Rs.	Upto 31-3-10 Rs.	For the period Rs.	Deduction Rs.	Upto 31-3-11 Rs.	As at 31-3-11 Rs.	As at 31-3-10 Rs.
Land (Free Hold)	1370932	0	0	<b>1370932</b>	0	0	0	<b>1370932</b>	1370932	
Building	33533272	0	0	<b>33533272</b>	16021820	1120010	0	<b>17141830</b>	<b>16391442</b>	17511452
Plant & Machinery	121703100	7698335	0	<b>129401435</b>	97039492	5299698	0	<b>102339190</b>	<b>27062245</b>	24663609
Furniture & Fixture	2300971	0	0	<b>2300971</b>	1456048	105094	0	<b>1561142</b>	<b>739829</b>	844923
Office Equipment	1042132	0	0	<b>1042132</b>	683321	27420	0	<b>710741</b>	<b>331391</b>	358811
Vehicles	2454694	581608	126172	<b>2910130</b>	476528	235819	5320	<b>707027</b>	<b>2203103</b>	1978166
Total	162405101	8279943	126172	<b>170558872</b>	115677209	6788041	5320	<b>122459930</b>	<b>48098942</b>	46727893
Previous Year	163901529	827475	536048	<b>162405102</b>	109412964	6456074	191829	<b>115677209</b>	<b>46727893</b>	52700711
<b>Capital Work in Progress</b>	<b>9379140</b>	<b>1635698</b>	<b>7104572</b>	<b>3910266</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3910266</b>	<b>9379140</b>

**GUJARAT RAFFIA INDUSTRIES LTD.**

Particulars	As at 31-03-2011 (12 Months) Amount (Rs.)	As at 31-03-2010 (15 Months) Amount (Rs.)
<b>SCHEDULE - 6 : INVESTMENT (AT COST)</b>		
<b>UN QUOTED (Non-Trade)</b>		
Asia Pacific Ltd. (500 Shares @ Rs. 1.00/share)	500	500
Bengal Business Ltd. (1,00,000 Shares @ Rs. 2.00/share)	2 00 000	-
Asian Gases Ltd. (1,50,000 Shares @ Rs. 2.00/share)	3 00 000	-
	<u>5 00 500</u>	<u>500</u>
<b>SCHEDULE - 7 : INVENTORIES (At Cost or NRV, whichever is less)</b>		
Raw Materials	4 37 66 071	3 30 84 872
Stores & Spares	5 04 570	8 25 587
Work in Progress	21 39 204	2 23 36 122
Finished Goods	3 73 07 030	2 33 63 084
Wastage	60 656	20 759
	<u>8 37 77 531</u>	<u>7 96 30 424</u>
<b>SCHEDULE - 8 : SUNDRY DEBTORS (UNSECURED)</b>		
<u>Debts outstanding for a period exceeding Six months :</u>		
Considered Good	5 50 942	17 23 919
Considered Doubtful	---	---
<u>Other Debts</u> : Considered Good	1 30 51 103	1 27 94 419
	<u>1 36 02 045</u>	<u>1 45 18 338</u>
<b>SCHEDULE - 9 : CASH &amp; BANK BALANCES</b>		
CASH ON HAND	3 06 107	2 44 206
BALANCE WITH SCHEDULED BANKS :		
in Current Account	1 00 24 089	5 32 906
in Fixed Deposits	5 97 255	3 60 000
	<u>1 09 27 451</u>	<u>11 37 112</u>
<b>SCHEDULE - 10 : LOANS &amp; ADVANCES (Unsecured - Considered Good)</b>		
Advances recoverable in cash or in kind or for value to be received	34 44 278	72 26 465
Tender & Term Deposits	43 63 088	42 19 256
Balance with Government Department	58 06 613	31 99 477
Advance F.B.T.	2 76 789	2 76 789
Advance Income Tax	20 44 122	6 09 470
Tax Deducted at Source	6 84 598	6 48 718
Interest Receivable	9 619	0
	<u>1 66 29 107</u>	<u>1 61 80 175</u>
<b>SCHEDULE - 11 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors :		
- For Goods :		
- Micro, Small & Medium Enterprise (Refer Note-3 of Schedule 18)	---	---
- Others	45 56 748	71 67 829
- For Expense :	5 95 780	15 60 315
Advance from Customers	2 40 92 522	2 70 03 033
Statutory Liabilities	9 74 516	11 70 491
	<u>3 02 19 566</u>	<u>3 69 01 668</u>
<b>PROVISIONS :</b>		
Provision for Expenses	54 79 061	18 77 562
Provision for Gratuity	3 04 741	4 22 740
Provision for Income tax	41 76 000	28 98 000
Provision for FBT	2 37 083	2 37 083
	<u>1 01 96 885</u>	<u>54 35 385</u>
	<u>4 04 16 451</u>	<u>4 23 37 053</u>

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**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**


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	Period Ended 31-03-2011 12 Months Amount (Rs.)	Period Ended 31-03-2010 15 Months Amount (Rs.)
<b>SCHEDULE - 12 : OTHER INCOME :</b>		
Interest	327,986	190,979
Interest Income on I. T. Refund/Service Tax Refund	418,429	-
Insurance Claim	-	243,295
Sundry Balance written off Account	750,909	16,339
Profit on Sales of Asset	9,148	-
Gain from Foreign Exchange fluctuation (NET)	689,360	781,252
	<u>2,195,832</u>	<u>1,231,865</u>
<b>SCHEDULE - 13 : INCREASE/DECREASE IN STOCK</b>		
Closing Stock :		
Finished Goods	37,306,988	23,363,084
Waste	60,656	20,759
Shares	—	—
	<u>37,367,644</u>	<u>23,383,843</u>
Process Stock	2,139,204	22,336,122
	<u>39,506,848</u>	<u>45,719,965</u>
Less : Opening Stock :		
Finished Goods	23,363,084	11,564,866
Waste	20,759	17,545
Shares	-	691,310
	<u>23,383,843</u>	<u>12,273,721</u>
Process Stock	22,336,122	8,509,403
	<u>45,719,965</u>	<u>20,783,124</u>
	<u>(6,213,117)</u>	<u>24,936,841</u>
<b>SCHEDULE - 14 : RAW MATERIAL CONSUMPTION</b>		
Opening Stock	33,084,872	9,271,858
Add : Purchase	202,585,235	259,085,342
	<u>235,670,107</u>	<u>268,357,200</u>
Less : Closing Stock	43,766,071	33,084,872
	<u>191,904,036</u>	<u>235,272,328</u>
<b>SCHEDULE - 15 : MANUFACTURING &amp; OTHER EXPENSES</b>		
Processing Charges	490,020	616,911
Stores & Spares Consumed	5,064,783	5,714,906
Power & fuel	17,803,024	21,502,767
	<u>23,357,828</u>	<u>27,834,584</u>
<b>PAYMENTS TO &amp; PROVISIONS FOR EMPLOYEES :</b>		
Salary, Wages, Bonus	4,407,785	4,403,622
Contribution to Provident Fund & Other Fund	123,067	124,212
Staff Welfare	60,449	119,664
	<u>4,591,301</u>	<u>4,647,498</u>

**GUJARAT RAFFIA INDUSTRIES LTD.**

	<b>Period Ended 31-03-2011 12 Months Amount (Rs.)</b>	Period Ended 31-03-2010 15 Months Amount (Rs.)
<b>SALES &amp; DISTRIBUTION EXPENSES :</b>		
Commission Expenses	<b>25,098</b>	115,798
Sales Tax	<b>3,836,007</b>	5,057,534
Travelling Expenses	<b>247,649</b>	421,319
Transportation Charges	<b>8,407,179</b>	8,373,263
	<b>12,515,933</b>	13,967,914
<b>ESTABLISHMENT &amp; OTHER EXPENSES :</b>		
Rent, Rates & Taxes	<b>9,000</b>	442,041
Legal & Professional Charges	<b>386,589</b>	604,742
Auditors' Remuneration :		
- Audit Fees	<b>32,000</b>	48,000
- Tax Audit Fees	<b>9,600</b>	14,400
General Expenses	<b>2,553,339</b>	3,452,514
Donation	<b>—</b>	—
Director's Remuneration	<b>393,600</b>	492,000
Insurance	<b>243,674</b>	246,865
Loss on sale of fixed assets (Net)	<b>-</b>	89,247
	<b>3,627,802</b>	5,389,809
<b>REPAIR &amp; MAINTENANCE :</b>		
- Plant & Machinery	<b>390,244</b>	487,055
- Building	<b>51,145</b>	3,050
- Vehicle	<b>66,481</b>	65,650
- Others	<b>25,924</b>	59,710
	<b>533,794</b>	615,465
	<b>44,626,657</b>	52,455,270
<b>SCHEDULE - 16 : INTEREST &amp; FINANCE CHARGES</b>		
Bank Charges	<b>541,816</b>	765,113
Interest to Bank	<b>677,078</b>	1,928,313
Others Interest Expenses	<b>1,069,253</b>	1,677,174
	<b>2,288,147</b>	4,370,600
<b>SCHEDULE - 17 : PRIOR PERIOD ADJUSTMENT</b>		
Prior Period Interest Income	---	---
Less : Prior Period Expense	---	11,795
	---	(11,795)



**SCHEDULE-18****SIGNIFICANT ACCOUNTING POLICIES :****1) Method of Accounting :**

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India, the provisions of the Companies Act 1956 , and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

**2) Use of Estimates:**

The preparation of the Financial Statements requires estimates and assumptions to be made that affect the reported amount of Assets and Liabilities 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 :**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are stated net of rebate and trade discount and excludes Central Sales Tax, State Value Added Tax. Dividend income is recognized when the right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**4) Fixed Assets :**

Tangible Fixed Assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. 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.

Intangible Assets are reported at acquisition value with deductions for accumulated amortization and any impairment losses.

Capital work in progress includes cost of assets at sites, construction expenditure, advances made for acquisition of capital assets.

**5) Depreciation :**

Depreciation has been provided on Fixed Assets on Straight Line Method as per the rates specified in Schedule XIV of the Companies Act, 1956 as amended from time to time. Depreciation for addition/ deletion from assets is calculated on pro-rata from the day of additions/ deletion. 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 or more often if there is an indication of decline in value. If any indication of such impairment exists, 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 & 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.

## **GUJARAT RAFFIA INDUSTRIES LTD.**

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### **8) Inventories :**

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence. Cost of Finished Goods and Work-in-Progress are determined using the absorption costing method. Cost of inventories comprises the cost of purchase and other costs incurred in bringing them to their respective present location and condition. Cost of inventories are determined using FIFO method.

### **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 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.

### **10) Central Excise Duty:**

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:**

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit and Loss Account.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing date rates, and unrealized translation differences are included in the Profit and Loss Account.

### **12) Borrowing Cost:**

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. All other borrowing costs are charged to Profit and Loss Account.

### **13) Earning per Share:**

Basic earning per share is 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. Diluted earning 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:**

A 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 on Income:****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 & accounting income that originate in one period & 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:**

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.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

**NOTES FORMING PART OF THE ACCOUNTS****1. Contingent Liabilities:**

	<b>As on 31<sup>st</sup> March 2011 (12 Months)</b>	As on 31 <sup>st</sup> March 2010 (15 Months)
1. Bank Guarantee	<b>1,50,000</b>	5,00,000
2. Letters of Credit Outstanding	<b>13,48,083</b>	12,51,280
3. Claims against the company not acknowledged as debts:		
Labour Matters	<b>5,00,000</b>	5,00,000
ESIC	<b>7,00,000</b>	7,00,000

2. The previous period's figures have been regrouped wherever necessary.

3. The Company has not received information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Here disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been made.

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4. As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

**Defined Contribution Plan:**

Contribution to Defined Contribution Plan, recognized as expense for the period is as under:

	(Rs.)	
	<b>2010-11</b>	<b>2009-10</b>
	<b>(12 months)</b>	<b>(15 months)</b>
Employer's Contribution to Provident Fund	123,067	124,412

**Defined Benefit Plan:**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**i. Reconciliation of opening and closing balances of Defined Benefit obligation:**

	(Rs. in lacs)	
	<b>Gratuity</b>	<b>Gratuity</b>
	<b>(Un Funded)</b>	<b>(Un Funded)</b>
	<b>2010-11</b>	<b>2009-10</b>
	<b>(12 Months)</b>	<b>(15 Months)</b>
Defined Benefit obligation at beginning of the period	3.39	2.83
Current Service Cost	0.31	0.39
Interest Cost	0.28	0.29
Actuarial (gain) / Loss	(0.01)	(0.12)
Benefits paid	(1.12)	(0.00)
Defined Benefit obligation at year end	2.85	3.39

**ii. Reconciliation of opening and closing balances of fair value of plan assets:**

	(Rs. in lacs)	
	<b>Gratuity</b>	<b>Gratuity</b>
	<b>(Un Funded)</b>	<b>(Un Funded)</b>
	<b>2010-11</b>	<b>2009-10</b>
	<b>(12 Months)</b>	<b>(15 Months)</b>
Fair value of plan assets at beginning of the period	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	NIL	NIL
Employer contribution	NIL	NIL
Benefits paid	NIL	NIL
Fair Value of plan assets at the end of the period	NIL	NIL
Actual Return on plan assets	NIL	NIL

**iii. Reconciliation of fair value of assets and obligations:**

(Rs. In lacs)

	<b>Gratuity (Unfunded) As at 31<sup>st</sup> March 2011 (12 months)</b>	<b>Gratuity (Unfunded) As at 31<sup>st</sup> March 2010 (15 months)</b>
Fair value of plan assets	NIL	NIL
Present value of obligation	2.85	3.47
Amount recognized in Balance Sheet	-	-

**iv. Expense recognized during the period**

(Rs. In lacs)

	<b>Gratuity (Un Funded) 2010-11 (12 months)</b>	<b>Gratuity (Un Funded) 2009-10 (15 months)</b>
Current Service Cost	0.31	0.39
Interest Cost	0.28	0.29
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	(0.01)	(0.12)
<b>Net Cost</b>	<b>0.58</b>	<b>0.56</b>

**v. Investment Details:**

	<b>Gratuity As at 31<sup>st</sup> March 2011 (12 months)</b>	<b>Gratuity As at 31<sup>st</sup> March 2010 (15 months)</b>
GOI Securities	NIL	NIL
Public Securities	NIL	NIL
Special Deposit Schemes	NIL	NIL
State Govt. Securities	NIL	NIL
Insurance Policies	NIL	NIL
Others (including bank balances)	NIL	NIL

**vi. Actuarial assumptions:**

	<b>Gratuity (Un Funded) 2010-11 (12 Months)</b>	<b>Gratuity (Un Funded) 2009-10 (15 Months)</b>
Mortality Table (LIC)		
Discount rate (per annum)	8.25%	8.25%
Expected rate of return on plan assets (per annum)		
Rate of escalation in salary (per annum)	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

**No Provision for Leave encashment benefits has been made during the year.**

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### 6. **Derivative 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) Foreign currency exposure at the year end not hedged by derivative instruments.

	<b>As at 31<sup>st</sup> March 2011 (12 Months)</b>	<b>As at 31<sup>st</sup> March 2010 (15 Months)</b>
<b>Advance payment From Debtors</b>		
Rupees	<b>65,24,457</b>	18,11,347
US Dollar	<b>1,45,373</b>	40,346
<b>Advance payment to suppliers</b>		
Rupees	<b>12,09,651</b>	52,14,105
US Dollar	<b>26,740</b>	1,14,005

### 7. **Segment Information :**

Based on the guiding principle 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 P.E.Tarpaulin, H.D.P.E/P.P. Woven Sacks. Fabrics which has similar risks and returns, accordingly there are no separate reportable segment as far as primary segment is concerned.

The operation of the Company are in India and all assets and liabilities are located in India. An Analysis of sales by geographical market is given below:

Sales	<b>For 12 Months ended on 31/03/11 Amount (Rs.)</b>	<b>For 15 Months ended on 31/03/10 Amount (Rs.)</b>
India	<b>151,380,266</b>	212,293,192
Out of India	<b>122,382,700</b>	87,539,270
	<b>273,762,966</b>	299,832,462

**Note:** Geographical Segments considered for disclosures are as follows :

- Sales within India includes Sales to Customers located within India.
- Sales Outside India includes Sales to Customers located outside India.

### 8. **Related Parties disclosure under Accounting Standard-18 :**

- A) i) Key management personnel :  
Pradeep Bhutoria
- ii) Related concern :  
Bengal Business Ltd.  
Asian Gases Ltd.

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

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B) Transaction carried out with related parties referred to in A) above.

Nature of transactions	2010-11 (12 Months)		2009-10 (15 Months)	
	Related parties referred in A(I) above Amount (Rs.)	Related parties referred in A(II) above Amount (Rs.)	Related parties referred in A(I) above Amount (Rs.)	Related parties referred in A(II) above Amount (Rs.)
Payment Recd.	Nil	1,674,270	Nil	16,039,000
Payment Made	Nil	8,150,270	Nil	3,406,000
Expenses	Nil	Nil	Nil	420,000
Remuneration	393,600	Nil	492,000	Nil
Interest Paid	Nil	665,879	Nil	1,153,249

C) Disclosure in respect of transactions which are more than 10% of the total transactions same type with related parties during the year:

Description	Name of Related Parties	Amount (Rs.)
Loan Taken	Asian Gases Ltd.	14,270
Loan Taken	Bengal Business Ltd.	1,660,000
Loan Repaid	Asian Gases Ltd.	4,380,270
Loan Repaid	Bengal Business Ltd.	3,770,000
Interest paid	Asian Gases Ltd.	665,879
Director's Remuneration	Pradeep Bhutoria	393,600

9. As the Company does not anticipate taxable profit in near future, so to comply with the Accounting Standard - 22 issued by the Institute of Chartered Accountants of India. The provision for deferred tax liabilities has not been made during the year.

10. Earning per share :

	For the year ended on 31.03.2011 (12 Months)	For the year ended on 31.03.2010 (15 Months)
Profit/(Loss) attributable to Equity Shareholders	5,614,116	8,456,452
Basic and Weighed average no.of Equity Shares	4,994,775	4,994,775
Basic Earning per Shares (Rs.)	1.12	1.69
Diluted earning per share (Rs.)	1.12	1.69

11. MANAGING DIRECTOR'S REMUNERATION :

A. Remuneration	336,000	420,000
B. Perquisites	57,600	72,000
	<u>393,600</u>	<u>492,000</u>

12. AUDITOR'S REMUNERATION :

A. Audit Fees	32,000	48,000
B. Tax Audit Fees	9,600	14,400
	<u>41,600</u>	<u>62,400</u>

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13. The additional information pursuant to the provisions of Paragraphs 3,4c & 4b of Part-II of the Schedule VI to the Companies Act, 1956.

	UNIT	2010-11 (12 Months)		2009-10 (15 Months)					
		QUANTITY	RUPEES	QUANTITY	RUPEES				
<b>A) CAPACITY, PRODUCTION &amp; SALES :</b>									
<b>INSTALLED CAPACITY :</b>									
PE-FABRICS/SACKS/ TARPAULIN/ROPES (As certified by Management)	M.T.	3,200.000	—	4,000.000	—				
<b>PRODUCTION :</b>									
PE-FABRICS/SACKS TARPAULIN/ROPES	M.T.	2,492.086	—	3,344.297	—				
<b>SALES :</b>									
FABRICS	M.T.	457.964	48,899,954	348.686	32,774,049				
SACKS	M.T.	814.107	67,789,503	954.256	71,439,627				
TARPAULIN	M.T.	1,502.201	155,356,875	1877.241	189,753,210				
OTHERS (INCL. TRADE SALES)	—	—	1,716,634	—	5,174,266				
SHARES	NOS.			576,300	691,310				
			<u>273,762,966</u>		<u>299,832,462</u>				
<b>B) CONSUMPTION OF RAW MATERIALS :</b>									
FABRICS	M.T.	125.080	10,312,943	445.918	3,41,53,361				
GRANULES	M.T.	2,798.025	178,156,079	3,236.340	199,667,703				
OTHERS	—	—	3,435,014	—	1,451,263				
			<u>191,904,036</u>		<u>235,272,327</u>				
<b>C) PURCHASES OF GOODS :</b>									
GRANULES	M.T.	—	—	32.000	2,769,012				
			—		<u>2,769,012</u>				
<b>D) FINISHED GOODS :</b>									
		1/4/2010		1/4/2009		31/03/2011		31/03/2010	
		OPENING STOCK				CLOSING STOCK			
	Unit	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
SACKS	NOS.	275,415	4,721,990	40,715.00	478,401.00	143,550	2,216,699	275,415	4,721,990
TARPAULIN/ ROLL/COVER/ FABRIC SHEET	M.T.	127.17	18,641,094	41.193	12,770,608	221.152	35,090,289	127.17	18,641,094
			<u>23,363,084</u>		<u>13,249,009</u>		<u>37,306,988</u>		<u>23,363,084</u>



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	For 12 months ended on 31-03-2011		For 15 months ended on 31-03-2010	
	Amount Rs.	% of total	Amount Rs.	% of total
<b>E) CIF VALUE OF IMPORTS :</b>				
Raw Materials	52,293,103	98.14	75,094,281	76.76
Fabric	992,149	1.86	22,740,501	23.24
	<u>53,285,252</u>	<u>100.00</u>	<u>97,834,782</u>	<u>100.00</u>
<b>F) VALUE OF RAW MATERIALS CONSUMED :</b>				
a) Imported	53,285,252	27.77	83,397,701	35.45
b) Indigenous	138,618,784	72.23	151,874,626	64.55
	<u>191,904,036</u>	<u>100.00</u>	<u>235,272,327</u>	<u>100.00</u>
<b>G) VALUE OF STORES &amp; SPARE PARTS CONSUMED :</b>				
Imported	—	0.00	—	0.00
Indigenous	5,064,783	100.00	5,714,906	100.00
<b>H) EXPENDITURE IN FOREIGN CURRENCY :</b>				
a) Foreign Travel	46,905		239,888	
b) Sales Promotion	Nil		195,228	
c) Import of goods	53,285,252		94,052,239	
d) Import of Capital Goods	1,419,817		Nil	
<b>I) EARNINGS IN FOREIGN CURRENCY :</b>				
By way of export of goods	122,382,700		73,136,129	

**GUJARAT RAFFIA INDUSTRIES LTD.****14. ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956****BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration No. CIN:L17110GJ1984PLC007124 State Code 04  
Balance Sheet Date : 31-03-2011

**II. Capital Raised during the year (Amount in Rs. '000)**

Public Issue NIL Right Issue NIL  
Bonus Issue NIL Private Issue NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.'000)**

Total Liabilities 177446 Total Assets 177446

**Source of Funds****Application of Funds**

Paid-up Capital	49948	Net Fixed Asset	52009
Reserves and Surplus	38229	Investments	501
Secured Loans	17857	Net Current Assets	84519
Unsecured Loans	30996		

**IV. Performance of the Company (Amount in Rs. '000)**

Turnover including other income	258712	Total Expenditure	245607
Profit before Tax	6892	Profit after Tax	5614
Provision for Taxes	1278	Extra Ordinary Income	0
Earning per share basic (Rs.)	1.12	Dividend Rate (%)	NIL

**V. Generic Names of three principal products/services of Company**

ITEM CODE NO.	PRODUCTION DESCRIPTION
1. 392010.01	HDPE WOVEN SHEETS
2. 392010.01	HDPE WOVEN SACKS
3. 392010.01	TARPAULIN

**Signatures to Schedule 1 to 18**

Schedule referred to above form on integral part of accounts

**For Talati & Talati**

*Chartered Accountants*  
Firm Regn. No.: 110758W

**Umesh H. Talati**

*Partner*  
Membership No. 034834

Date : 28.07.2011  
Place : Ahmedabad

**For and on behalf of the Board**

**Pradeep Bhutoria** *Managing Director*

**Sushma Bhutoria** *Director*

Date : 28-07-2011  
Place : Santej

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**GUJARAT RAFFIA INDUSTRIES LIMITED**

**Registered Office:**

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

25<sup>th</sup> Annual General Meeting  
Monday, the 5<sup>th</sup> September, 2011 at 2.00 p.m.

**ATTENDANCE SLIP**

Place : At the Registered Office of the Company at:  
Plot No. 455, Santej-Vadsar Road,  
Village:Santej,  
Taluka:Kalol-382 721,  
Dist:Gandhinagar.

Signature of Member/ Proxy attending the meeting \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

**Notes:**

1. This meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

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**GUJARAT RAFFIA INDUSTRIES LIMITED**

**Registered Office:**

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

**FORM OF PROXY**

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

being member/s of the above named Company hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

as my/our Proxy to attend and vote for me/us on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, the 5<sup>th</sup> September, 2011 and/or at any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signature

Affix  
Signature  
Revenue  
Stamp

N.B. : This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

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Book - Post

To

*If undelivered, please return to*

**GUJARAT RAFFIA INDUSTRIES LIMITED**

**REGISTERED OFFICE:**

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

Pratiksha Printers, A'bad. 9825262512