

17th ANNUAL REPORT 2009-10



SEVENTEENTH ANNUAL REPORT 2009-10

CORPORATE INFORMATION

Board of Directors BHARAT J PATEL

Chairman

BHARAT J DATTANI

Director

THOMAS CALTON THOMPSON III

Director

DHIREN S SHAH

Director

K. SURESH KUMAR

Director (Nominee of KSIDC)

M. JAYABALAN

Director

SHANKAR T KIRPALANI

Director

SAMIR K SHAH

Director

PATRICK M DAVENPORT

Director

G. KRISHNA KUMAR

Managing Director

COMPANY SECRETARY N.N. PARAMESWARAN

Chief Finance Officer & Company Secretary

BANKERS ICICI Bank Ltd.

Punjab National Bank

The Catholic Syrian Bank Ltd.

AUDITORS M/s. Mohan & Mohan Associates

Chartered Accountants A-2, Jawahar Nagar, Trivandrum - 695 041.

REGISTERED OFFICE & FACTORYNew Industrial Development Area

Kanjikode, Palakkad, Kerala - 678 621.

Company proposes to arrange vehicles to bring the shareholders from Palakkad to the venue of the AGM.

The vehicles will be stationed at Palakkad Fort Maidan (Opp. to the main entrance to the Fort)

between 9.30 a.m to 10.00 a.m



NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of M/s.Rubfila International Ltd; Palakkad, Kerala - 678 621 will be held on 25th day of September, 2010 at Pudusserry Panchayat Kalyanamandapam, Chadayankalai, West Kanjikode-678 623 at 11.00 a.m to transact the following business:

AS ORDINARY BUSINESS

- 1. To receive and adopt the Director's Report and the Audited Accounts as at 31st March, 2010 along with Auditor's Report.
- To appoint a Director in place of Mr. Bharat J Patel, Director who retires by rotation and is eligible for re-appointment.
- 3. To appoint a Director in place of Mr. Bharat J Dattani, Director who retires by rotation and is eligible for re-appointment.
- To appoint a Director in place of Mr.Samir K Shah, Director who retires by rotation and is eligible for re-appointment.
- 5. To appoint the Auditors of the Company for the year 2010 11 and to fix their remuneration.

By order of the Board of Directors
Mumbai
N.N.PARAMESWARAN
Chief Finance Officer & Company Secretary

NOTES:

- a. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The Proxy Form if intended to be used should reach the Registered Office of the Company duly completed not less than forty-eight hours before the scheduled time of meeting.
- b. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretarial Department so as to reach the Company on or before 18/09/2010 specifying the points requiring clarification from the Chairman.
- c. Since the Company is yet to declare any dividend, disclosure regarding status of unclaimed dividends under Section 205(A) of the Companies Act, 1956 does not arise.
- d. The Register of Members and the Share Transfer Books of the Company will be closed from 21st day September, 2010 to the 25th day of September, 2010.

Details of Directors retiring by rotation and seeking re-appointment / Regularisation pursuant to Section 257 of the Companies Act, 1956.

(In pursuance of Clause 49 of the Listing Agreement)

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Name of Director	Bharat J Patel	Bharat J Dattani	Samir K. Shah
Date of Birth	10/03/1953	28/09/1952	18/07/1973
Qualifications	Chartered Accountant	M.B.A	B.Com
Expertise in specific functional area	Finance	Finance	Finance
Shareholding in the Company	Nil	Nil	Nil

Details of other Directorship:

Name of Director	Name of the Company	Position held	Committee type	Membership status
Bharat J Patel	Equitable Financial Consultancy Pvt. Ltd	Director	None	None
	Pat Holding Pvt. Ltd.	Director	None	None
	Fidelity Multitrade Pvt. Ltd.	Director	None	None
	Gracious Properties Pvt. Ltd	Director	None	None
	Independent Estates Pvt. Ltd	Director	None	None
	Pasha Finance Pvt. Ltd	Director	None	None
	Pat Financial Consultants Pvt. Ltd	Director	None	None
	Urvi Holdings Pvt. Ltd	Director	None	None
	Pankaj Cotton Company Pvt. Ltd	Director	None	None
	Superior Financial Consultancy Services Pvt. Ltd	Director	None	None
Bharat J Dattani	BJD Securities Pvt. Ltd	Director	None	None
	Dattani Ceramics Pvt. Ltd.	Director	None	None
	Innovative Data Organisers Pvt. Ltd.	Director	None	None
	Medium Investment Co. Pvt. Ltd	Director	None	None
	Raj Investments Ltd	Director	None	None
Samir K Shah	Nil	N.A.	N.A	N.A

By order of the Board of Directors
N.N.PARAMESWARAN
Chief Finance Officer & Company Secretary

Mumbai 27/07/2010



DIRECTORS' REPORT

Dear Members.

Your Directors have pleasure in presenting the Seventeenth Annual Report of the operations of the Company and the Audited Financial Accounts of the Company for the Financial Year ended 31st March, 2010.

FINANCIAL RESULTS: (Rs. In lacs)

31.03.2010	31.03.2009
5159.50	3735.87
108.03	81.30
4715.99	3450.71
0	631.28
274.34	273.35
6.03	6.03
(47.30)	399.29
(1940.79)	-
2259.26	(943.50)
	5159.50 108.03 4715.99 0 274.34 6.03 (47.30) (1940.79)

PERFORMANCE:

During the year under review, the company could achieve a turnover of Rs. 5159.50 lacs comprising of Rs 4841.38 lacs from the Domestic Sales and Rs. 318.12 lacs from the Exports. The company could achieve a higher turnover as compared to the previous year due to increased demand in the rubber thread market. The Company could increase the capacity utilization and could post a profit of Rs.277.20 Lacs from operations. The company had negotiated with the Banks and settled the dues to them through an OTS (One-time Settlement) scheme through internal accruals as well by obtaining Unsecured Loans. After settling the dues with each bank, the balance in the outstanding of Principal and Interest amounting to Rs.1940.79 lacs was added back to the Profit and Loss Account. This was considered as an extraordinary item, which along with the profit from the operations resulted in a Net Profit of Rs.2259.26 Lacs.

BIFR Proceedings

As directed by BIFR, the Company had submitted a fully tied up Draft Rehabilitation Scheme (DRS) on 2nd April 2010 and the Joint Meeting convened by Punjab National Bank, the Operating Agency (OA) for the company, was held on 30th April 2010.

DIVIDEND

In view of the inadequate distributable surplus during the year, your Board regrets that the Company is not in a position to pay dividend.

AUDIT COMMITTEE

The Audit Committee had continued its deliberations during the year under review. The accounts for each quarter were reviewed by Audit committee before placing before the Board. The observations of Internal and Statutory Auditors were also discussed during the review meetings.

CORPORATE GOVERNANCE

The management discussion and analysis report and the compliance of recommendations on corporate governance are annexed to this report.

DIRECTORS

Mr. Bharat J Patel, Mr. Bharat J Dattani and Mr. Samir K. Shah, Directors retire by rotation and being eligible offer themselves for reappointment.

Mr. Vijay Lachmandas resigned from the Board and the Board places on record its appreciation for the services rendered by Mr. Vijay Lachmandas.

Kerala State Industrial Development Corporation Ltd (KSIDC) has appointed Mr.K. Suresh Kumar as their Nominee Director in the Board of the Company.

AUDITORS

M/s.Mohan & Mohan Associates, the auditors of the company hold office until the conclusion of the ensuing Annual General Meeting.



INDUSTRIAL RELATIONS

The Industrial Relations climate continues to remain harmonious and congenial. The Management and the Trade Unions entered into a wage settlement agreement for a period of 3 years till 31st March 2011. Your Directors wish to record their sincere appreciation of the efforts made and the support rendered by the employees at all levels.

STATUTORY DISCLOSURES

DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 217(2)(AA) OF THE COMPANIES (AMENDMENT ACT 2000)

The Board of Directors Report -

- that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- 2) that the Directors have selected such accounting policies and applies them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period.
- 3) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies act, 1956 for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- 4) the Directors have prepared the annual accounts on a going concern basis.

GROUP COMPANIES

As per SEBI (Substantial Acquisition of Shares and Takeover) Regulation - 1997 as amended by SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2002, the following are the Group Companies falling within the regulations 3 (1) (e) (i):-

a) Rubpro Sdn. Bhd.; Malaysia

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

Particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo in terms of requirements of section 217 (1) (e) of the Companies Act, 1956 are set out in the Annexure in the prescribed form forming part of this report.

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1973.

Your Company does not have any employee in respect of whom information under Section 217 (2A) of the Companies Act, 1956 as amended, is required to be annexed.

FIXED DEPOSIT

The Company has neither accepted nor renewed any deposits during the period under review and has no overdue or unclaimed deposits of any kind.

APPRECIATION

Your Directors acknowledge with gratitude the cooperation and assistance given by M/s. Rubpro Sdn. Bhd., Malaysia, Kerala State Industrial Development Corporation Ltd, M/s. Integrated Enterprises India Ltd, The ICICI Bank Ltd, Punjab National Bank, The Catholic Syrian Bank Ltd and other agencies of the Central and State government. Your Directors also wish to place on record sincere appreciation to the devoted and dedicated services rendered by all the employees at all levels towards your company's success during the year under review and shareholders for their active support and co-operation

For and on behalf of Board of Directors

Mumbai 27-07-2010

Bharat J Patel Chairman



ANNEXURE TO DIRECTORS' REPORT

01.INFORMATION UNDER SECTION 217 (E) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES DISCLOSURE OF PARTICULARS RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31.03.2010.

A. CONSERVATION OF ENERGY

- a) During the year the following Energy Conservation measures were undertaken.
 - (i) The chilling pipelines were redesigned so as to reduce consumption of power and loss of energy.
- b) Additional investment and proposal if any :
 - (i) Installation of Biomass Boiler and thereby reducing consumption of Furnace Oil.
- c) Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production:
 Energy conservation measures undertaken in the factory were started yielding results in reduction per unit consumption of energy and as a result, there is reduction in the cost of production

B. TECHNOLOGY ABSORPTION

FORM - B (SEE RULE 2)

Form of Disclosure of Particulars with respect to Technology Absorption

Research and Development:

- Specific areas of Research and Development Activities carried out by the Company: Nil
- 2) Benefits derived as a result of the above

Research and Development work :Nil

3) Future plan of action :

4) Expenditure on Research and Development

a) Capital : Nil b) Recurring : Nil c) total : Nil

d) Total Research & Development charged to Expenditure as a percentage of total turnover : Nil

Technology - Absorption, Adaptation & Innovation

- Efforts in brief made towards technology
 Absorption, adaptation and innovation: Nil
- Benefits derived as a result of the above efforts, product improvement, cost reduction, product development, import substitution, etc : Nil
- 3. In case of imported technology (imported During the last 5 years reckoned from the beginning of the financial year) the information may be furnished

a) Technology imported : Nil b) Year of Import : N. A c) Extent of absorption : N. A

C) FOREIGN EXCHANGE EARNINGS & OUT GO

(Rs.in lacs)

1) FOREIGN EXCHANGE EARNINGS

a) Export of HRLRT : 318.12

2) FOREIGN EXCHANGE OUT GO

a) Capital Goods : Nil
b) Raw materials : 12.86
c) Stores and Spares : 13.01
d) Foreign Travels : Nil
e) Commission : 0.11
f) Testing : 1.25

For and on behalf of Board of Directors

Mumbai Bharat J Patel 27/07/10 Chairman



CORPORATE GOVERNANCE REPORT

In pursuit of its long term corporate goals, RUBFILA continued to strive for the fulfillment of good corporate governance.

a) Board of Directors

1) Composition and category of Directors is as follows:-

Non-Executive Chairman Mr. Bharat J Patel

Non-Promoter Executive

Director Mr.G.Krishna Kumar

Promoter / Non-Executive

Directors Mr.Thomas Calton Thompson III

Mr.Bharat Dattani Mr.M.Jayabalan Mr.Dhiren Shah

Non-Executive Independent

Directors Mr.Shankar T Kirpalani

Mr.Samir K Shah Mr.Patrik M Davenport Mr.K.Suresh Kumar

2) Attendance of Directors at Board Meeting and Annual General Meeting during the period 01.04.2009 to 31.03.2010.

Name of Director	No. of Board Meetings	Attended	Last AGM Attended	Sitting Fee
Mr.Bharat J Patel	5	4	No.	Nil
Mr.M.Jayabalan	5	2	Yes	Nil
Mr.G.Krishna Kumar	5	5	Yes	Nil
Mr.Tommy Thompson	5	4	Yes	Nil
Mr.Bharat Dattani	5	5	Yes	Nil
Mr.Shankar T Kirpalani	5	2	No.	Nil
Mr.Samir K Shah	5	2	No.	Nil
Mr.Dhiren Shah	5	4	Yes	Nil
Mr.Patrik M Davenport	5	3	Yes	Nil
Mr.K.Suresh Kumar	Nil	Nil	N.A	Nil

Mr.K.Suresh Kumar was appointed on 05/04/2010.

Five Board Meetings were held during the year. The dates on which the meetings were held are 25/06/09, 23/09/09, 31/10/09, 21/01/10 and 06/03/10.

b) Audit Committee

An Audit Committee was in existence since 1997 The constitution of the Audit Committee also meets with

the requirements under Section 292 A of the Companies Act, 1956. Audit Committee continued its deliberations during the year under review.

The broad terms of reference are as follows:

- Review of company's financial reporting process and its financial statements
- Review of accounting and financial policies and practices.



Shareholder's / Investors' Grievance

The company has constituted a Share Transfer Committee consisting of Mr.G.Krishna Kumar,

Managing Director and Mr.N.N.Parameswaran, Chief

Finance Officer & Company Secretary and the meetings

are held every fortnightly. As on 31.03.2010, there

are no complaints / queries pending reply. There were

no share transfers pending for registration for more

than 30 days as on the said date.

- Review of internal control system

c) Remuneration Committee:

The company had formed a Remuneration Committee in compliance with the Clause 49 of the Listing Agreement. The Committee used meet to approve the remuneration payable to the Managing Director.

Details of remuneration paid to Managing Director and the Executive Director for the year 2009-10:

The aggregate of salary and perquisites paid for the year ended on 31.03.10 to the Managing Director is as follows:

Mr.G.Krishna Kumar : 11.44 Lacs

e) General Body Meetings

Location and time for the last three Annual General Meetings

LUCATION ai	id tillle for ti	ie iast tillee Allitual Gelielai N	neetings		
Year	AGM	Location	Date	Time	No. of Special
					Resolutions
2006 - 07	AGM	Regd Office	24.08.2007	11.30 a.m	Nil
2007 - 08	AGM	Panchayat Kalayana	30.09.2008	11.30 a.m	Nil
		Mandapam, Pudusserry			
2008 - 09	AGM	Panchayat Kalyana			
		Mandapam, Pudusserry	23/09/2010	11.30 a.m	Nil

d)

Committee

No special resolution were put through postal ballot last year and nor is any proposed for this year.

f) Disclosures

There are no materially significant transactions with related parties viz. Promoters, Directors or their management, their subsidiaries or relatives conflicting with company's interest except those disclosed in the notes forming part of the accounts.

h) General Shareholder information

i. AGM Date, Time and Venue

ii. Financial Calendar 2010 - 11

a) Results for the Quarter ended 30.06.10
b) Results for the Quarter ended 30.09.10
c) Results for the Quarter ended 31.12.10
d) Results for the Quarter ended 31.03.11

iii. Book Closure Dateiv. Listing on Stock Exchanges

g) Means of Communication

The company is publishing quarterly un-audited financial results and notice advertisements in The Hindu-Business Line and Kerala Kaumudi (vernacular language) regularly. A Management Discussion and Analysis Report form part of the Annual Report.

25/09/2010, 11.00 a.m. at Pudussery Panchayat Kalyana Mandapam, West Kanjikode - 678 623

D-f---- 21 07 10

Before 31.07.10 Before 31.10.10

Before 31.01.11 Before 31.05.11

: 21-09-2010 to 25-09-2010

Bombay Stock Exchange.
Listing Fees for the year 2010 - 11

had been paid to the Stock Exchange.

:



v) Stock market data:

	Bombay Stock Exch	anges (BSE)
Month	Month's High Price	Month's Low Price
April 2009	2.15	1.37
May 2009	2.47	1.63
June 2009	2.95	2.10
July 2009	3.03	2.11
August 2009	2.63	2.15
September 2009	3.50	2.41
October 2009	3.30	2.43
November 2009	3.05	2.20
December 2009	5.09	2.51
January 2010	4.00	2.87
February 2010	3.55	2.73
March 2010	3.34	2.77

vi. Registrar/Share Transfer Agents/ Depository Registrars M/s.Integrated Enterprises (I) Ltd 2nd Floor, "Kences Towers", 1, Ramakrishna St., North Usman Road, T. Nagar, Chennai - 600 017

i) Shareholding Pattern as on 31.03.2010:

Category	No. of Shared held	% of Share holding
Promoters	13008774	41.06
Mutual Funds and UTI Banks & Financial Institutions	91800 57332	0.29 0.18
Private Corporate Bodies	1609469	5.08
Public Individual	16916332	53.00
Total	31683707	100.00

j) Distribution on Shareholding as on 31.03.2010

No. of	No. of	% of	No. of	%of
Shares held	Shareholders	Shareholder	Shares	Shareholding
1 - 500	43753	93.21	6412938	20.24
501 - 1000	1779	3.79	1509174	4.76
1001 - 2000	685	1.46	1076620	3.40
2001 - 3000	244	0.52	629991	1.99
3001 - 4000	93	0.20	338288	1.06
4001 - 5000	95	0.20	452084	1.43
5001 - 10000	140	0.30	1012680	3.20
100001 and above	152	0.32	20251932	63.92
Total	46941	100.00	31683707	100.00



k) Dematerilisation of Shares

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors. The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. The ISIN allotted for the shares of the Company is INE642C01017. As on 31.03.2010 72.00 % shares of the company were held in Dematerialised form.

l) Registrar / Transfer Agents / Depository Registrars:

(Share Transfer / Dematerialisation and communication regarding Share Certificates and Change of Address) M/s.Integrated Enterprises (I) Ltd

n) Any query on Annual Report

2nd Floor, "Kences Towers",

1, Ramakrishna St., North Usman Road,

T. Nagar, Chennai - 600 017

Tel : (044) 28140801 - 03 Fax : (044) 28142479 E-mail : yesbalu@iepindia.com

m) Share Transfer System:

Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 21 days from the date of receipt, subject to the documents being valid and complete in all respects.

Secretarial Department RUBFILA INTERNAITONAL LTD NIDA, Kanjikode,

Palakkad, Kerala - 678 621

Tel : (0491) 2567261 - 05 Fax : (0491) 2567260 E-mail : rubfila@vsnl.com

The above report was adopted by the Board of Directors at their meeting held on 27-07-2010

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

- 1. We have reviewed the implementation of Corporate Governance by Rubfila International Ltd (the Company) during the period ended 31/03/2010, 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 implementations 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.
- 3. 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 affairs of the company.
- 4. We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company shareholders / investors grievance committee,
- 5. On the basis of our review and according to the informations and explanations provided to us, the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement (s) with the Stock Exchanges have been complied with in all material respect by the Company.

For MOHAN & MOHAN ASSOCIATES
Chartered Accountants
R. SURESH MOHAN

Partner

Thiruvananthapuram 20-07-2010



MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATION

A) INDUSTRY STRUCTURE AND DEVELOPMENT

The world market for Heat Resistant Rubber Thread was not badly affected by recent recession trends in developed countries as its application touches the day-to-day use by mass population. The production bases are being shifted from Western countries to Asian countries. The social development in third world countries due to globalization has also contributed to the healthy growth

International Market scenario:

Global Rubber Thread market is about 1.20 lacs Tonnes. Major suppliers are located in ,Malaysia, Thailand, India and Indonesia. The growth rate is expected to increase further as the concept of ecofriendly products is picking up in third world countries too. The pricess of major raw material, Rubber, were undergoing vide fluctuations during the year under review. However, the company has been able to pass on this increase proportionately to the finished product.

Domestic Market Scenario:

Domestic market is growing close to two digit levels due the shift in procurement by the global brands to India. Rubfila continued to maintain the leadership in market. Rubfila has the advantage of meeting the delivery commitments with very short lead time to its domestic customers.

B) OPPORTUNITIES AND THREATS

Strength of the Company are:

- Leader in the Domestic Market with Brand Image for quality products
- Only manufacturer manufacturing Silicon Coated Rubber thread in India
- 3. Practices good Quality Management Systems.
- 4. Products meeting Oeko-Tex Standard 100
- Successful development of wide variety of premium niche products
- 6. Short lead time for domestic customers.
- 7. Highly qualified and motivated employees and

good employee relations

The major threats being faced by the company are:-

- 1. Higher credit terms offered by other international suppliers.
- 2. Low quality but cheap imports

C) OUTLOOK

The Company continues to be a significant player in the Rubber Thread Market and is continuously innovating new value added products. The Company is striving for reduction of wastage and improvement of profitability through the implementation of ISO 14001 Environmental Management Systems. There are indications that the global recession will abate towards the end of current year and the demand will revive, which will help the Indian industries to regain its momentum.

D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

E) FINANCIAL AND OPERATIONAL PERFORMANCE

Please refer Board Report on performance review.

F) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

Industrial relations continue to be cordial and satisfactory and the management is proud to state that the company has not lost a single man-hour since inception due to industrial disputes. The Management and Trade Unions have entered into a wage settlement agreement for a period 3 years till 31st March, 2011.

As on 31st March, the Company has 116 employees.

Risks and concerns

Many factors including unforeseen development may affect the actual results which could be different from what the Directors envisaged at this point of time in terms of future performance and outlook.



AUDITORS' REPORT

To,

The Share Holders, Rubfila International Limited Palakkad

- 1. We have audited the attached Balance Sheet of RUBFILA INTERNATIONAL LIMITED as at 31st March 2010 and also the Profit and Loss Account and 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 have 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 applied and significant estimates made by the 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 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, as amended ,we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
- 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-
- (i) 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;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and comply with the Accounting standards referred to in sub section (3C) of section 211 of the Companies Act to the extent applicable.
- (iv) On the basis of the written representations received from the Directors of the Company as on 31st March 2010 and taken on record by the Board of Directors we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act 1956 on the said date.
- (v) Some of the balances of creditors, debtors, advance and deposits are subject to confirmation, including the amounts due to the Promoter and Collaborator Company towards Royalty and External Commercial Borrowing availed from them.

Subject to the above, In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the significant accounting policies and notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March 2010.
- (b) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For MOHAN & MOHAN ASSOCIATES

Chartered Accountants

R. SURESH MOHAN

(Partner) Membership No.:13398 Firm No. 002925

Place: Thiruvananthapuram Date: 20-07-2010



ANNEXURE TO THE AUDITORS' REPORT TO THE SHARE HOLDERS OF RUBFILA INTERNATIONAL LIMITED, ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.

(Referred to in paragraph 3 of our Report of even date)

- 1 The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. According to the information given to us ,these fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification, certain minor discrepancies which were noticed have been properly dealt with in the books of account.
- 2 According to the information given to us, we are of the opinion that the Company has not disposed off fixed assets during the year, which constitutes a major part of the plant and machinery or other fixed assets and thus such disposal has not affected the going concern concept of the Company.
- 3 (a) According to the information given to us, the inventory has been physically verified by the management during the year and the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (b) In our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification, certain minor discrepancies noticed during physical verification have been properly dealt with in the books of account.
- According to the information and explanations given to us, the company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- 5. The company has taken Unsecured loans from 6 parties covered in the register maintained under section 301 of the Act as per details given below. The rate of interest and other terms and conditions of the loan taken by the company are prima facie not prejudicial to the interest of the company and the payment of the principal amount and interest are also regular as per the terms of the agreement with the lenders. There is no overdue amount.

No. of parties Maximum amt. during the year Balance as on 0n 31/03/2010

6 Rs. 2432.65 lacs Rs. 2432.65 lacs

- 6. We are of the opinion that there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the year we have not observed any continuing failure to correct major weaknesses in internal control.
- 7. According to the information and explanations given to us, transactions that need to be entered into the register in pursuance of section 301 of the Act have been correctly entered and each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- According to the information and explanations given to us, the Company has NOT accepted deposits from the public.
- In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

Place: Thiruvananthapuram

Date: 20-07-2010

- Maintenance of cost records has NOT been prescribed for the Company
- 11. The company has been regular in depositing undisputed statutory dues in respect of Provident Fund, Employees' State Insurance, and TDS dues with the appropriate authorities. According to the information and explanations given to us there are no outstanding statutory dues as at the last day of the financial year concerned for a period exceeding six months from the date they became payable.
- 12. The Company has no dues of sales tax/income tax/custom duty/wealth tax/excise duty/cess, which have not been deposited on account of any dispute with the Department concerned except the following:-
- Central Excise Duty: 1.70 Lacs appeal filed before Commissioner of Central Excise, Palakkad
- Service Tax: Rs. 0.50 Lacs appeal pending with Tribunal, Bangalore
- E S I: Rs. 3,50,000 appeal filed with Regional Director, ESIC
- 13. Since the Company's net worth is still negative, the company continues to remain as a Sick Industry as on 31/03/2010.
- 14. According to the information and explanations given to us, The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- Provisions of any special statute applicable to chit fund/nidhi/ mutual benefit funds/societies are not applicable to the Company.
- 16. In our opinion and according to the explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- According to the information given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 18. According to the information given to us no term loan was availed by the company during the year other than the transaction referred under item No. 23(2) of the Notes to
- 19. According to the information given to us, and on the basis of an overall examination of the balance sheet of the company, we are of the opinion that the Company has not raised any funds on short-term basis for long-term investment. No longterm funds have been used to finance short-term assets, except for permanent working capital.
- 20. 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.
- 21. The Company has not issued any debenture during the year.
- The Company has not raised any funds through public issue during the year.
- According to the information given to us, no fraud on or by the company has been noticed or reported during the year.

For MOHAN & MOHAN ASSOCIATES

Chartered Accountants

R. SURESH MOHAN, (Partner) Membership No.:13398 Firm No. 002925



RUBFILA INTERNATIONAL LIMITED, KANJIKODE, PALAKKAD BALANCE SHEET

Particulars	SCH	As at 31.03.2010 Rs. (in Lacs)	As at 31.03.2009 Rs. (in Lacs)
SOURCES OF FUNDS 1.Share Holder's Funds: a)Share Capital	1	3,168.37	3,168.37
2.Loan Funds : a) Secured Loans b) Unsecured Loans	2 3	2,432.65	4,290.78 407.66
TOTAL		5,601.02	7,866.81
APPLICATION OF FUNDS: 1.Fixed Assets: a) Gross Block b) Less: Depreciation c) Net Block	4	5,392.10 3,185.56 2,206.54	5,385.52 2,911.22 2,474.29
3.Current Assets, Loans and Advances: a) Inventories b) Sundry Debtors c) Cash and Bank Balances d) Other Current Assets e) Loans and Advances	5 6 7 8 9	145.92 572.92 158.18 0.42 184.85 1,062.29	111.31 345.27 152.48 4.31 137.60 750.97
Less: Current Liabilities and Provisions a) Current Liabilities Net Current Assets	10	1,147.34 1,147.34 (85.05)	1,103.27 1,103.27 (352.30)
4.Miscellaneous Expenditure	11	6.03	12.06
- Profit and Loss Account		3,473.50	5,732.75
TOTAL		5,601.02	7,866.81

For and on behalf of the Board of Directors For **Rubfila International Limited**

As per our report of even date attached For **Mohan & Mohan Associates**Chartered Accountants

Bharat J Patel G.Krishna Kumar Chairman Managing Director N.N.Parameswaran Chief Finance Officer & Company Secretary **R.Suresh Mohan** Partner

Place: Mumbai Date: 31-05-2010 Place: Thiruvananthapuram

Date : 20-07-2010



RUBFILA INTERNATIONAL LIMITED, KANJIKODE, PALAKKAD PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2010

Particulars	Schedule	Period Ended 31.03.2010 Rs. (in Lacs)	Period Ended 31.03.2009 Rs. (in Lacs)
INCOME			
Sales	12	5,159.50	3,735.87
Other Income	13	108.03	81.30
Total		5,267.53	3,817.17
EXPENDITURE			
Variation in Finished Stock	14	(43.98)	(14.25)
Consumption of Raw-materials and Consumables	15	3,957.85	2,796.19
Manufacturing Expenses	16	604.28	435.77
Administrative Expenses	1 <i>7</i>	200.98	185.70
Marketing Expenses	18	11.39	8.52
Interest and Financial Charges	19	(14.54)	670.06
Depreciation	4	274.34	273.35
Preliminary / Defferred Revenue Expenditure	20	6.03	6.03
Prior Period Expenses	21	(47.29)	7.56
Prov. for Contingent Liabilities	22	-	391.73
Total		4,949.07	4,760.67
Net Profit / (Loss) before tax and extraordinary items adjusted		318.46	(943.50)
Waiver of Bank Loan		1,940.79	
Net Profit / (Loss)		2,259.25	(943.50)
Balance Brought forward from last year		(5,732.75)	(4,789.26)
Balance Carried to Balance Sheet		(3,473.50)	(5,732.75)
Earning Per Share		7.13	(2.98)
Number of Shares		31683707	31683707
Notes attached to and forming part of accounts	23		

For and on behalf of the Board of Directors For **Rubfila International Limited**

As per our report of even date attached For **Mohan & Mohan Associates**Chartered Accountants

Bharat J PatelG.Krishna KumarN.N.ParameswaranR.Suresh MohanChairmanManaging DirectorChief Finance Officer &Partner

Company Secretary

Place : Mumbai Place : Thiruvananthapuram

Date : 31-05-2010 Date : 20-07-2010



RUBFILA INTERNATIONAL LTD

SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	31.03.2010 Rs. (in Lacs)	31.03.2009 Rs. (in Lacs)
SCHEDULE 1 SHARE CAPITAL		
Authorised: 3.50.00.000 Equity Shares of Rs.10/= each	3,500.00	3,500.00
Issued, Subscirbed & Paid up: 3,16,83,707 Equity Shares of Rs.10/= each,		fully
paid up	3,168.37	3,168.37
SCHEDULE 2		
SECURED LOANS 1)Loans & Advances from Banks Park Ltd. Combators		1CIC 528.17
Bank Ltd., Coimbatore Less Amount Paid Back Principal Outstanding	-	75.22
Principal Outstanding Add: Interest Accured and due Sub Total	-	452.95 592.42
Punjab National Bank	-	1,045.37 1,198.41
Less Amount Paid Back Principal Outstanding	-	227.47 970.94
Add : Interest Accured and due Sub Total	-	1,345.88 2,316.82
The Catholic Syrian Bank, Palakkad		483.24
Less Amount Paid Back Principal Outstanding		70.20 413.04
Interest Accured and due on Term Loan Sub Total		515.55 928.59
(The above amounts are secured by first charge by mortgage of 4.7373 hectors of land by deposit of title deed		and
also secured by way of first charge by hypothecation of movable properties both present and future including		all
machinery, machinery spares, tools etc, and also by way first charge by hypothecation of all current assets		of both
present and future) TOTAL	-	4,290.78
SCHEDULE 3 UNSECURED LOAN		Erom
Promoters (ECB Loan) - RUBPRO SDN BHD Loan from Promoters	156.95 465.70	181.96 225.70
PAT FINANCIAL CONSULTANTS PVT LTD	1,810.00	-
TOTAL	2,432.65	407.66
SCHEDULE 5 INVENTORIES		(As
Certified by Management) Stores and Spares	24.37	17.81
Rawmaterials Packing Materials Furnace Oil	43.27 6.27 3.36	61.05 4.19 4.22
Diesel Finished Goods	1.42 67.24	0.78
TOTAL	145.93	23.26 111.31



RUBFILA INTERNATIONAL LIMITED, KANJIKODE, PALAKKAD

SCHEDULE - 4 FIXED ASSETS AS ON 31.03.2010

			GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	OPENING	ADDITIONS	ADJUSTMENTS	CLOSING	OPENING	F	FOR THE PERIOD			CLOSING	CLOSING	OPENING
	01.04.2009			31.03.2010	01.04.2009	01.04.2009 FOR THE PERIOD ADDITIONS	ADDITIONS	ADJUSTMENTS	Total	BALANCE		
LAND	7.30			7.30						ı	7.30	7.30
BUILDING	408.99			408.99	103.95	12.68			12.68	116.63	292.36	305.03
Plant and Machinery	4,886.19	5.57		4,891.76	2,747.16	257.79	0.26		258.05	3,005.22	1,886.55	2,139.03
Computer & Accessories	40.71	0.80		41.51	36.21	1.01	0.03		1.04	37.25	4.27	4.50
Furniture Fixtures &	37.76	0.21		37.97	20.52	2.13	0.00		2.13	22.65	15.31	17.24
Motor Vehicles	4.57			4.57	3.38	0.43			0.43	3.82	0.75	1.19
Total	5,385.52	6.58		5,392.10	5,392.10 2,911.22	274.05	0.29		274.34	274.34 3,185.56 2,206.54 2,474.29	2,206.54	2,474.29
Previous Year	5,396.16	5.45	16.09	5,385.52	5,385.52 2,653.65	273.05	0.30	15.77	273.35	273.35 2,911.222 2474.29 2,742.51	2474.29	2,742.51



RUBFILA INTERNATIONAL LTD

SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	31.03.2010 Rs. (in Lacs)	31.03.2009 Rs. (in Lacs)
SCHEDULE 6	KS. (III Lacs)	KS. (III Lacs)
SUNDRY DEBTORS (Unsecured and Considered good for Recovery) Debts outstanding for a period Exceeding six months Less:Provision for Doubtful Debts ii) Other Debts	197.13 19.08 394.87	l) 175.55 155.61 325.33
TOTAL	572.92	345.27
SCHEDULE 7 CASH & BANK BALANCE Cash & Cheque in hand Balance with Schedule Banks: Current account ii) In deposit account TOTAL	0.29 138.03 19.86 158.18	0.17 I) In 35.69 116.62 152.48
SCHEDULE 8 OTHER CURRENT ASSETS Interest Receivable	0.42	431
TOTAL	0.42 0.42	4.31 4.31
SCHEDULE 9	0112	
LOANS AND ADVANCES (unsecured, considered good unless otherwise stated) Advances Recoverable in Cash or in kind or for value received		to be VAT
Credit	148.74	86.18
Advance Others	9.62	10.59
Advance to Suppliers	6.86	20.38
Advance Tax	6.06	3.87
Deposit and Balances with Government and		
Statutory Authorities	13.57	16.58
TOTAL	184.85	137.60
SCHEDULE 10 CURRENT LIABILITIES & PROVISIONS a)Current Liabilities		
Sundry Creditors for Machinery Sundry Creditors for Supplies & Others	-	55.17
- Others	603.09	499.16
Other Liabilities TOTAL	544.25 1,147.34	548.94 1,103.27
IOIAL	1,14/.34	1,103.4/
SCHEDULE 11 MISCELLANEOUS EXPENDITURE the extent not written off or adjusted)		(То
Product Development Expenses		As
per Last Balance Sheet	12.06	18.09
Less:Written off during the year	6.03 6.03	6.03
TOTAL	6.03	12.06 12.06
IOIAL	0.03	12.00



RUBFILA INTERNATIONAL LTD SCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT

PARTICULARS	31.03.2010 Rs. (in Lacs)	31.03.2009 Rs. (in Lacs)
SCHEDULE - 12 SALES Own Goods - Domestic Less: Returns	4,856.47 15.09	3,540.43 5.67
Total - Export	4,841.38 318.12	3,534.76 201.10
Total	5,159.50	3,735.87
SCHEDULE - 13 OTHER INCOME Profit on sale of assets Interest Earned Sales (Miscellaneous) Provision No Longer Required Miscellaneous Income Total	21.47 83.29 (0.03) 3.30 108.03	2.07 3.84 75.37 0.03 -
SCHEDULE - 14 VARIATION IN FINISHED GOODS Opening Stock Own Production	23.26	9.01
Total	23.26	9.01
Closing Stock Own Production Total Increase / (Decrease) in Stock	67.24 67.24 (43.98)	23.26 23.26 (14.25)
	(43.30)	(14.23)
SCHEDULE - 15 RAWMATERIAL CONSUMPTION Opening Stock of Raw materials Add: Purchases Less: Duty Drawback Less: Closing Stock of Raw materials Raw material Consumed	61.05 3,777.37 30.50 43.27 3,764.65	31.39 2,690.15 3.49 61.05 2,656.99
Stores and Spares Consumed Opening Stock Add: Purchases Less: Closing Stock Stores and Spares Consumed	17.81 46.95 24.37 40.40	16.42 22.39 17.81 21.00
Packing Material Consumed Opening Stock Add: Purchases Less: Closing Stock Packing Material Consumed	4.19 72.81 6.27 70.73	2.62 56.46 4.19 54.88
Customs Duty Freight Inwards Clearing and Forwarding Charges Loading and Unloading Charges Rubber Board Cess Total	1.39 35.27 5.19 4.65 35.57 3,957.85	0.70 27.75 1.16 3.32 30.39 2,796.19



RUBFILA INTERNATIONAL LTDSCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT

PARTICULARS	31.03.2010 Rs. (in Lacs)	31.03.2009 Rs. (in Lacs)
SCHEDULE - 16 MANUFACTURING EXPENSES Furnace Oil Consumed Opening Stock Add: Purchases Less: Closing Stock Furnace Oil Consumed	4.22 246.90 3.36 247.7 7	4.70 178.19 4.22 178.66
Diesel Consumed Opening Stock Add: Purchases Less: Closing Stock Diesel Consumed	0.78 10.78 1.42 10.14	0.41 13.77 0.78 13.40
Job Processing Electricity Effluent Treatment Expenses Employees Cost Repairs and Maintenance - Electrical - Others	0.14 94.27 17.39 133.91 7.40 93.26	90.25 11.88 117.35 0.08 24.15
Total	604.28	435.77

SCHEDULE - 17		
ADMINISTRATIVE EXPENSES		
Employees Cost	122.72	98.77
Rent, Rates and Taxes	8.27	8.80
Travelling and Conveyance	23.26	31.90
Vehicle Maintenance	1.03	0.86
Postage, Telephone and Fax Charges	6.51	6.53
Insurance	0.83	3.65
Printing and Stationery	2.86	2.19
Professional Charges	6.58	8.75
Sundry Expenses	6.18	6.59
Security Charges	7.69	7.22
Advertisement Expenses	1.64	1. <i>7</i> 5
ISO 9002 Expenses	1.89	0.50
Audit Fee	1.50	1.40
AGM Expenses	4.59	1.89
Audit Expenses	0.53	0.51
List Up Fee	1.96	1.35
Share Transfer Charges	2.97	3.05
Total	200.98	185.70

SCHEDULE - 18		
MARKETING EXPENSES		
Transportation Expenses	1.96	1.09
Sales Commission	1.26	1.33
Business Promotion Expenses	0.23	0.07
Sales Promotion Expenses	1.92	0.95
Discount Allowed on Sales	2.42	3.63
E.C.G.C.Premium	0.10	-
Export Expenses	3.49	1.46
Total	11.39	8.52



RUBFILA INTERNATIONAL LTD

SCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT

SCHEDULE - 19 INTEREST AND FINANCIAL CHARGES	31.03.2010 Rs. (in Lacs)	31.03.2009 Rs. (in Lacs)
Interest on		
- Term Loan	-	327.52
- Working Capital	-	303.77
Exchange Fluctuation	(21.92)	34.54
Interest Others & Financial Charges	7.38	4.24
Total	(14.54)	670.06

SCHEDULE - 20 PRELIMINARY / DEFFERED REVENUE EXPENSES		
Product Development Expenses	6.03	6.03
Total	6.03	6.03

SCHEDULE - 21 PRIOR PERIOD EXPENSES / INCOME		
Expenses	5.45	9.71
Income	52.74	2.16
Total	(47.29)	7.56

SCHEDULE - 22 PROVISION FOR CONTINGENT LIABILITIES		
Duty Draw Back	-	391.73
Total	-	391.73



A. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company follows accrual method of accounting. The Balance Sheet and Profit and Loss Account of the Company are in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

2. Income Recognition

- 2.1 Sales are recognized upon delivery of products at net of excise duty and sales tax..
- 2.2 Incomes from export entitlement benefits are accounted as and when the certainty of entitlement is determined.
- 2.3 Other Income is recognized when no significant uncertainty as to its determination or realization exists.

3. Fixed Assets & Depreciation

- 3.1 Expenditure that are of capital nature are capitalized at a cost that comprises of purchase price (net of Cenvat, rebate and discounts), import duties, levies and any directly attributable cost of bringing the asset to its working condition for the intended use.
- 3.2 Depreciation has been provided on Straight Line Method in accordance with the provisions of Schedule XIV of the Companies Act, 1956, on assets which have been installed and put to use during the year.
- 3.3 An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

4. Inventories

4.1 Raw Materials are valued at cost on FIFO basis, or net realizable value whichever is less.

- 4.2 Finished Goods are Valued at Lower of the Cost or net realizable value.
- 5. Exchange Fluctuation
- 5.1 Foreign Currency transactions are accounted at the exchange rates prevailing at the date of the transaction.
- 5.2 Gains and Losses resulting from the settlement of Foreign Currency transaction and from the translation of monetary assets and liabilities denominated in Foreign Currencies at year end rate, are recognized in the Profit and Loss account.

6. Miscellaneous Expenditure

Product Development expense are being written off equally over a period of ten years.

	Product Devp.
	(Rs.In Lacs)
Gross Block	204.84
Written Off During 2009-10	6.03
Written Off Upto 31/03/10	198.81
Balance As on 31/03/10	6.03

7. Retirement Benefits

- 7.1 Provident Fund remittances to the government are charged against revenue, each year on accrual basis.
- 7.2 Gratuity liability is determined on the basis of actuarial valuation obtained at the year end from the Life Insurance Corporation of India under the Group Gratuity Cash Accumulation Scheme
- 7.3 Leave encashment benefits are charged to Profit and Loss Account on the basis of actual estimation basis as at the year end.

B. Notes on Accounts

 Previous year figures have been regrouped and reclassified wherever necessary to make them comparable.



- 2. Figures have been rounded off to the nearest lacs.
- 3. Accounting for Taxes as Income
- a) In view of exemption from the preview of the provisions of Sec115 JB of the Income Tax Act, 1961, being a Sick Industrial Company registered with BIFR, the entire book profit is exempt from tax and hence the company does not envisage any tax liability for the year.
- b) The Company has worked out deferred tax liabilities/assets as at 31st March 2010. In view of unclaimed allowances, unabsorbed depreciation and business losses under tax laws, net result of computation is net deferred tax assets. However, as a matter of prudence deferred tax assets have been recognized only to the extent there is deferred tax liability.

c) Major Components of Deferred Tax Liabilities / Assets are as under :

			(Rs.in Lacs)
	As on	For the	As on
	31/03/2009	Year	31/03/2010
Deferred Tax Liabilities			
Depreciation	611.79	(101.78)	510.01
Misc. Expenditure	32.25	(30.20)	2.05
Total Deferred Tax Liabilities	644.04	(131.98)	512.06
Deferred Tax Assets			
Bad Debts Provisions	52.89	(46.41)	6.49
Others	270.93	(1.77)	269.16
Unabsorbed Depreciation	1101.33	0.00	1101.33
Unabsorbed Business Loss	351.57	(170.20)	181.38
Total Deferred Tax Assets	1776.72	(218.38)	1558.36
Net Deferred Tax Assets	1132.68	(86.40)	1046.30

d) The Company has not created the deferred tax assets on unabsorbed business loss and balance of unabsorbed depreciation to the tune of Rs.10.46 Crores.

4. Earnings Per Share (EPS)

Particulars Particulars	2009-10	2008-09
Numerator: Operating Profit / (Loss) after Tax and before extra ordinary items	277.20	(538.18)
Net Profit / (Loss) as disclosed in Profit and Loss Account Denominator:	2259.25	(943.49)
Weighted average Equity Shares (Nos.) (Face value of Rs.10 each)	31683707	31683707
Basic and Diluted Earnings per Share (Before extra ordinary Items) Basic and Diluted Earnings per Share (After extra ordinary Items)	0.87 7.13	(1.70) (2.98)



- 5. In the opinion of Board of Directors, Current Assets, Loans and Advances, have at least the value as stated in the Balance Sheet, if realized in the ordinary course of the business.
- 6. Debtors, Creditors and Items included under other liabilities are subject to confirmation.
- 7. The Company have obtained 3 advance licenses for duty free import of raw material. Company have fully met the export obligation in full for Rs.55,00,047/- against Lic. No.4008 and Rs.11,888,042 against Lic No.4241. The Third License No.4490 have been utlised partially and export obligation to the extend 86,88,391has been completed. The liability to the company as on 31.03.10 on this is the customs duty concession availed to the extend of Rs.13,80,740/- and
- applicable penalties. This has been subsequently fullfilled. The documents for redemption are in process for the first two licenses
- 8. Contingent Liabilities not provided for in respect of disputed demands for taxes, duties and other claims not acknowledged as debts:
- a) Bank Guarantee of Rs. 7.92 Lacs during the year (previous year Rs.7.92 Lacs)
- 9. The Estimated value of Contracts in progress and not provided for is nil.
- 10. Amount outstanding for more than 30 days to Small scale Industrial undertaking is Nil.
- 11. KVAT refund due from Govt. Of Kerala is Rs. 148.73 and the details are as follows:

Period	Rs. (In Lacs)	Status
2005-06	12.00	Appeal Filed
2006-07	15.86	Appeal Filed
2007-08	15.20	Assessment Pending
2008-09	43.12	Assessment Pending
2009-10	62.55	Assessment Pending
TOTAL	148.73	

- 12. The company has initiated the process of obtaining confirmations from the "suppliers" who have registered under Micro Small Medium Enterprise Development Act, 2006 (MSMED ACT) which came into effect from October'2006 and so far it has not received the information from suppliers regarding their status under MSMED Act as on 31st March'2009. Hence disclosure relating to the amounts outstanding to them have not been made
- 13. Income Tax Assessment has been completed upto the accounting year ended 31st March, 2006.
- 14. Disclosures in respect of Provisions

(Rs. In Lacs)

Particulars	As on 31-03-2009	Provided during the year	As on 31-03-2010
Electricity Charges	21.00	-	21.00
Excise duty on Sale of Scrap	16.21	-	16.21
Sales Tax	10.18	(5.67)	4.51
ESI on Payment to Contractors	3.50	-	3.50
Financial Charges on disputed Liabilities	31.88	-	31.88
Duty Draw Back	391.73	-	391.73
	474.50	(5.67)	468.83



15. Disclosure in respect of Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rule 2007:

Employee Benefits (Rs. 200	In Lacs) 9-10
1 Assumptions	
Discount Rate	8%
Salary Escalation	5%
2 Changes in present value of	
obligations during the year	
Present value of obligations as at	
beginning of year	39.98
Interest cost	3.20
Current Service Cost	3.70
Benefits Paid	-
Actuarial (gain)/Loss on obligations	(2.19)
Present value of obligations as at	
end of year	44.69
3 Changes in the fair value of plan	
assets during the year	
Fair value of plan assets at beginning	
of year	32.54
Expected return on plan assets	3.46
Contributions	11.48
Benefits paid	-
Actuarial Gain / (Loss) on Plan assets	NIL
Fair value of plan assets at the end	
of year	47.48
4 Fair value of plan assets	
Fair value of plan assets at beginning	
of year .	32.54
Actual return on plan assets	3.46
Contributions	11.48
Benefits Paid	-
Fair value of plan assets at the end	

	of year	47.48
	Funded status	2.79
	Excess of Actual over estimated return	
	on plan assets	NIL
	(Actual rate of return = Estimated rate	
	of return as ARD falls on 31st March)	
5	Actuarial Gain/Loss recognized	
	during the year	
Αc	tuarial gain/(Loss) for the year	
	-Obligation	2.19
	Actuarial (gain)/Loss for the year	
	- plan assets	NIL
	Actuarial (gain)/ loss on obligations	(2.19)
	Actuarial (gain)/Loss recognized in	
	the year	(2.19)
6	Net Asset / (Liability) recognised in	
	the Balance Sheet	
	Present value of obligations as at the	
	end of year	44.69
	Fair value of plan assets as at the	
	end of the year	47.48
	Funded status	2.79
	Net Asset/(liability) recognized in	
	balance sheet	(2.79)
7	Expenses Recognised during the year	
	Current Service cost	3.70
	Interest Cost	3.20
	Expected return on plan assets	(3.46)
	Net Actuarial (gain)/Loss recognised	
	in the year	(2.19)
	Expenses recognised in statement of	
	Profit & loss	1.24

(Rs. In Lacs)

18. Segment Information.

1. Primary Business Segment: There is only one segment namely Manufacture and Sale of Rubber Threads.
2. Secondary Business Segment: By Geographical Market:

(Rs. In Lac.)

	Within India		Outside India		Total	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Sales revenue by Geographical market	4841.38	3,534.76	318.12	201.10	5159.50	3,735.87
Carrying amount of Segment assets	563.35	320.95	9.57	22.96	572.92	343.91
Addition to fixed Assets	- Nil -	- Nil -	- Nil -	- Nil -	- Nil -	- Nil -

The segment revenue in the Geographical segments considered for disclosure are as follows:

- a) Revenue within India includes sales to customers located within India.
- b) Revenue outside India includes sales to customers located outside India.



17. Additional Information pursuant to Part II of Schedule VI of the Companies Act, 1956

(Rs. In Lacs)

	31.03.2010	31.03.2009
1 Earning in Foreign Exchange - FOB Value of Exports	318.12	201.10
 2 Expenditure in Foreign Exchange CIF Value of Imports: - Capital Goods - Raw Materials - Stores and Spares 	12.86 13.01	6.30 2.61 1.66
3 Expenditure in Foreign Exchange (Actual Payment) - Travelling Expenses - Testing Charges - Advance Return - Commission	1.25 - 0.11	0.57 1.17 0.80 0.96

18. Value of Raw Materials, Stores and Spares Consumed during the Year

	Value Rs. in Lakhs	31.03.2010 (% to total Consumption)	Value Rs. in Lakhs	31.03.2009 (% to total Consumption)
1 Raw Materials - Indigenous - Imported	4009.70	99.68%	2846.45	99.91%
	12.83	0.32%	2.61	0.09%
2 STORES AND SPARES - Indigenous - Imported	98.12	88.30%	74.22	97.81%
	13.01	11.70%	1.66	2.19%

19. a) Capacity and Production

	31.03.2010	31.03.2009
	Quantity in M.T	Quantity in M.T
I. Product	HRLRT	HRLRT
II. Installed Capacity	6,350.00	6,350.00
III. Actual Production	3123.60	2377.10

b) Sales and Finished Good Stock

	31.03.2010		31.03.2009	
	Qty(M.T) Value	(Rs.In Lakhs)	Qty(M.T) Value	(Rs.In Lakhs)
1. Sales Domestic Sales Export Sales	2920.27 191.96	4841.38 318.12	2,226.16 120.24	3,534.76 201.10
2. Finished Goods Stock - Own Goods	50.02	67.24	27.97	23.26

c) Raw Material Purchased and Consumed

c) have material i di chasea and consumed					
	31.03.2010		31.03.2009		
	Qty(M.T) Value	(Rs.In Lakhs)	Qty(M.T) Value	(Rs.In Lakhs)	
Raw Material Purchased Latex Others	2371.14	3356.87 647.69	2,025.88	2,341.42 537.19	
2. Raw Material Consumed Latex Others	2380.92	3378.14 644.42	2,024.24	2,320.69 528.37	



20. Auditors Remuneration (Rs. in Lacs)

	31.03.2010	31.03.2009
Statutory Audit	0.50	0.50
Transfer Pricing	0.30	0.30
Tax Audit	0.20	0.20
Internal Audit	0.40	0.30
Limited Review	0.10	0.10
Total	1.50	1.40
21. Particulars of Employee Cost (Rs. In Lacs)		
a) Salary, Wages and Bonus	184.53	161.79
b) Contribution to Provident Fund and other Funds	16.80	14.85
c) Workmen and Staff welfare expenses	6.18	4.72
Total	207.51	181.36
22. Remuneration to Managing Director (Rs. In Lacs)		
a) Basic Salary	6.85	5.55
b) House Rent Allowance	0.96	1.24
c) Others	2.76	2.33
d) Provident Fund	0.87	0.72
Total	11.44	9.84

23. Related Party Disclosure (As identified by the Management)

1)	a) Name of the transacting related party	Mr.C	.Krishna Kumar
	b) Description of relationship		Managing Director
	c) Nature of Transaction		Remuneration
	d) Volume of transaction		Rs. 11.44 Lacs
	e) Outstanding at the Balance sheet date	Nil	

2) Unsecured Loan

- 2.1) From M/s. PAT Financial Consultants (P) Ltd., Mumbai.
 - Amount involved Rs. 1810 lacs
 - Nature of Transaction Interest free unsecured loan
 - Purpose Take over and Settlement of Bank Dues
- 2.2) From Promoters / Directors Rs. 265.00 lacs

Mrs. Bharati Bharat Dattani : Rs. 90.00 Lacs : Rs. 88.86 Lacs b) Mrs. Annie Mr. Christopher Chong : Rs. 48.13 Lacs Mr. Dhiren Shah : Rs. 38.00 Lacs c) d)

Purpose - Settlement of Bank dues

Tenure - Subject to finalization after approval of DRS by BIFR.

24. The Company is in the process of releasing the Charges filed with Registrar of Companies, Kerala on its properties in favour of Banks.

For and on behalf of the Board of Directors For **Rubfila International Limited**

Bharat J Patel G.Krishna Kumar N.N.Parameswaran Chairman Managing Director Chief Finance Officer & Company Secretary

Place : Mumbai Date: 31-05-2010 As per our report of even date attached For Mohan & Mohan Associates Chartered Accountants R.Suresh Mohan

Partner

Place: Thiruvananthapuram

Date: 20-07-2010



CASH FLOW STATEMENT

I	As at 31.03.2010 (Rs. In Lacs)	Particulars
		A. Cash Flow from Operating activities
6 (943.50)	318.46	Net loss before taxation and extraordinary items Adjusted for :
0 257.60	274.30	Depreciation
	_	Provision for Tax
4) 670.06	(14.54)	Interest & Financial Charges
3 6.03	6.03	Preliminary Expenses/Deferred Revenue expenses W/ off
7.56	(47.29)	Prior period Expenses
7) (3.84)	(21.47)	Interest Income
5) (77.47)	(86.56)	Other Income
3 (83.56)	428.93	Operating Profit before working capital changes Adjusted for:
5) (197.35)	(227.65)	Trade and Other receivables
(46.77)	(34.61)	Inventories
6 391.95	44.06	Trade liabilities
9 (3.31)	3.89	Other Current Assets
2 60.96	214.62	Cash Generated from Operations
4 (670.06)	14.54	Interest Paid
9 -	1,940.79	Cash flow from extraordinary items
9 (7.56)	47.29	Extra ordinary items - prior period Income / Expenses
4 (616.66)	2,217.24	Net Cash from Operating Activity (A)
		B.Cash flows from investing activities
3) 10.64	(6.58)	Purchase of Fixed Assets
		Sale of Fixed Assets
(51.27)	(47.24)	Increase in Loans and Advances
	-	Investment in Subsidiary Company
	21.47	Interest Received
	86.56	Other Income
1 40.68	54.21	Net Cash used in investing Activities (B)
		C. Cash flow from Financial Activities:
0 67.80	2,025.00	Proceeds from long term borrowing



Particulars	As at 31.03.2010 (Rs. In Lacs)	As at 31.03.2009 (Rs. In Lacs)
State Investment Subsidy - KSIDC	-	-
Repayment of Long Term Borrowings	(4,290.79)	606.28
Repayment of Working Capital		
Net Cash used in Financing Activities (C)	(2,265.79)	674.08
Net increase in cash and cash equivalents	5.66	98.10
Cash and Cash equivalents Opening Balance	152.50	54.40
Closing Balance	158.15	152.50
Note: Cash and Cash Equivalents represent cash & bank balance, short term deposits with banks and cash credit facility from banks.		

For and on behalf of the Board of Directors For **Rubfila International Limited**

As per our report of even date attached For **Mohan & Mohan Associates** Chartered Accountants

Bharat J PatelG.Krishna KumarN.N.ParameswaranChairmanManaging DirectorChief Finance Officer & Company Secretary

R.Suresh Mohan Partner

Place : Mumbai Place : Thiruvananthapuram

Date: 31-05-2010 Date: 20-07-2010

AUDITORS' REPORT ON CASH FLOW STATEMENT

The Shareholders,

We have examined the attached Cash Flow Statement of M/s. Rubfila International Limited, for the period ended 31.03.2010. The Statement has been prepared by the Company in accordance with the requirements of listing agreements executed with the stock exchanges where the shares of the company are listed and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of date to the members of the company.

For MOHAN & MOHAN ASSOCIATES

Chartered Accountants

R.SURESH MOHAN, Partner Mem No. 13398 Firm No.00292S

Place: Thiruvananthapuram Date: 20-07-2010



Part IV of Schedule VI to Companies Act, 1956 in the Terms of Govt. of India Notification Dated, 15/05/1995 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	Registration Details			
	Registration No.	7 0 1 8	State Code 0 9	
	Balance Sheet Date	3 1 0 3 2 0 1 0		
11.	Capital raised during the year (a	mount in Rs. Thousands)		
	Pubic Issue	Rights Issue	Preferential Issue	
	NIL	NIL	NIL	
	Bonus Issue	Private placemer	nt	
	NIL	$N \mid L$		
III.	Position of mobilisation and de	• •	thousands)	
		Total liabilities	Total assets	
		5 6 0 1 0 2	5 6 0 1 0 2	
	Sources of Funds :	Paid-up Capital	Reserves & Surplus	
		3 1 6 8 3 7		
		Secured Loans	Unsecured Loans	
		0 0 0 0 0 0	2 4 3 2 6 5	
	Application of Funds :	Net fixed assets	Investments	
		2 2 0 6 5 4		
		Net Current Assets	Misc. Expenditure	
		- 8 5 0 5		
		Accumulated Losses		
13.7	Df	3 4 7 3 5 0		
IV.	Performance of the company (a		Total aug an ditura	
		Turnover 5 2 6 7 5 3	Total expenditure 3 0 0 8 2 8	
		5 2 6 7 5 3 Profit/Loss before tax	D (://L (: -	
	+ -	2 2 5 9 2 5	+ - Profit/Loss after tax √ 2 2 5 9 2 5	
(Plo	ase tick Appropriate box + for p		[2 2 3 9 2 3	
(i ie	азе пск другорнате вох + тог р	Earning per share in Rs.	Dividend rate %	
		7 . 1 3	NILL	
٧.	Generic Names of Three Princip			
٧.	Item Code No. (ITC Code)	4 0 0 7 . 0 0	s per monetary rans,	
	nem code (no (no code)	H E A T R E S I	STANT	
			BBER	
		T H R E A D		
For and on behalf of the Board of Directors As per our report of even date attached				
	fila International Limited		For Mohan & Mohan Associates	
			Chartered Accountants	
Bharat J		N.N.Parameswaran	R.Suresh Mohan	
Chairma	an Managing Director	Chief Finance Officer & Company Secretary	Partner	

Place : Thiruvananthapuram Date : 20-07-2010

Place: Mumbai Date: 31-05-2010





RUBFILA INTERNATIONAL LIMITED

New Industrial Development Area, Kanjikkode - Palakkad - 678 621, Kerala, India

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

_			
(To be filled in if First Holder does no			
Name of the Proxy		mpany)	
		ting of the Members of the Company being chayat Kalyana Mandapam, Chedyankalai,	
Regd. Folio No.:		Member's / Proxy's Signature	
No. of Shares held :	(To be signed	(To be signed at the time of handing over this slip)	
	A INTERNATIONAL oment Area, Kanjikode - Palak PROXY FORM		
I/We	of	in the district of	
		above-named Company hereby appoint	
me / us cn my / our behalf at the 17th /	district of Annual General Meeting of th	failing him of as my / our proxy to vote for e Company to be held on 25th September West Kanjikode - 678 623 and at any ad-	
Regd. Folio No. :	Signature	Re. 1 Revenue Stamp	

NOTE: An instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than Forty eight hours before the time or holding the meeting. A proxy need not be a member.



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