



**RUBFILA**  
**International Limited**

**20th ANNUAL REPORT**

**2012-13**



## TWENTIETH ANNUAL REPORT 2012 – 13

### CORPORATE INFORMATION

#### Board of Directors

**BHARAT J PATEL**

Chairman

**BHARAT J DATTANI**

Director

**THOMAS CALTON THOMPSON III**

Director

**DHIREN S SHAH**

Director

**SAMIR K SHAH**

Director

**PATRICK M DAVENPORT**

Director

**HARDIK B PATEL**

Director

**G. KRISHNA KUMAR**

Managing Director

#### COMPANY SECRETARY

**N.N. PARAMESWARAN**

Chief Finance Officer & Company Secretary

#### BANKER

Punjab National Bank

#### AUDITORS

**M/s. Mohan & Mohan Associates**

Chartered Accountants

A-2, Jawahar Nagar,

Trivandrum - 695 041.

#### REGISTERED OFFICE & FACTORY

New Industrial Development Area

Kanjikode, Palakkad, Kerala - 678 621.

## NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of Rubfila International Ltd will be held at SKM Auditorium at Chedyankalai, Kanjikode – 678 621 on Wednesday, the 14<sup>th</sup> August, 2013 at 11 AM to transact the following business:-

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Directors' Report for the year ended 31st March 2013, audited Statement of Profit and Loss for the year, Balance Sheet as at that date, and the Report of the Auditors thereon.
- 2) To consider declaration of dividend for the year.
- 3) To appoint a Director in the place of Mr. Bharat J. Dattani who retires by rotation and, being eligible, offers himself for reappointment.
- 4) To appoint a Director in the place of Mr. Thomas Calton Thompson III, who retires by rotation and, being eligible, offers himself for reappointment.
- 5) To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors  
For RUBFILA INTERNATIONAL LTD

Sd/-

Mumbai  
9<sup>th</sup> May, 2013

N N PARAMESWARAN  
Chief Finance Officer &  
Company Secretary

### NOTES:-

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member.
- 2) The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) Members /proxies should bring the attendance slips duly filled in and PHOTO ID Proof for attending the meeting.
- 4) Request for any clarification needed on the accounts should be lodged in writing at the Registered Office of the Company on or before 5 P.M. on 7<sup>th</sup> August, 2013.
- 5) The Share Transfer Books and the Register of Members shall remain closed from 8<sup>th</sup> August, 2013 to 14<sup>th</sup> August, 2013 (both days inclusive.)
- 6) The Board of Directors have recommended a dividend at 12%( 60 Ps per Share of face value Rs. 5/-) of the paid up capital for the year. If declared at the Annual General Meeting, the same will be paid to the shareholders, whose names are on the Register of Members as on 14th August, 2013.

## DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

(In pursuance of clause 49 of the Listing Agreement)

Name of the Director	Mr. Bharat J. Dattani	Mr. Thomas Calton Thompson III
Date of Birth	28/09/1952	03/06/1952
Date of Appointment	08/09/2005	08/09/2005
Qualifications	M.B.A	BA (Colombia Uni.); MSC.
Expertise in specific functional area	Finance	Financial Advisor
Details of other Directorship	Nil	Nil

## FOR THE ATTENTION OF THE MEMBERS:

- Members are requested to send intimations of any changes in their addresses, applications for demat of shares, applications for transfer of shares and any related correspondence to the Company's share transfer agents M/s Integrated Enterprises (I) Ltd, 2nd Floor, "Kences Towers", No.1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600017. Ph: 044-28140801-03 Email: corpserve@integratedindia.in

- Sending notices and documents to shareholders through email:

As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening general meetings, Annual Reports, etc to the email addresses of the shareholders. For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share Transfer Agents of the Company M/s Integrated Enterprises (I) Ltd at their postal / email address given above. Please give the details in the attached format for registering your email ID. Those holding shares in demat form are requested to register their email IDs with their Depository Participants.

- Making payment of dividend through NECS / NEFT:

In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details / documents to M/s Integrated Enterprises (I) Ltd. Those holding shares in demat form are requested to update their records with DPs in this respect.

### (1) FORMAT FOR REGISTERING EMAIL ID

DP/Client ID / Folio No :  
 Name of the sole / first holder :  
 Postal Address :  
 Email Address :

Signature

### (2) FORMAT OF MANDATE FOR PAYMENT OF DIVIDEND BY NECS / NEFT

Folio No :  
 Name of the sole / first holder :  
 Postal Address :  
 Email Address :

I hereby authorize M/s. Rubfila International Limited to make payment of dividend by direct credit to my bank account the details of which are furnished below:

Bank Name :  
 Branch Name :  
 Branch Address :  
 MICR code :  
 IFSC code :  
 Account Type :  
 Account No :

I enclose herewith the following documents in proof of the above details:

Photocopy of Bank Pass Book / Bank Statement  
 Photocopy of a Blank cheque leaf of the account

Signature

## DIRECTORS' REPORT

### TO THE MEMBERS OF RUBFILA INTERNATIONAL LIMITED

The Directors have pleasure to present their 20th Annual Report and the audited Annual Accounts for the year ended 31st March 2013.

#### FINANCIAL RESULTS

Particulars	31-03-2013	31-03-2012
Total Income	10595.90	10092.84
Profit before depreciation	1628.28	1269.18
Profit before exceptional items & Tax	1348.55	992.05
Exceptional items	-	2285.05
Profit before Tax	1348.55	3277.10
Profit after Tax	1329.97	3277.10

#### PERFORMANCE REVIEW

During the year under review, the Company achieved a turnover of Rs. 10595.90 lakhs, a growth of 4.98% over the sales of the previous year. Out of this Rs. 9893.65 lacs came from the Sales in the domestic market and Rs. 702.25 lacs in the overseas markets. The Company, through careful planning of operations, controlling expenditure and prudent financial management practices could achieve a better profitability in the year under review. The order position for the company continues to be encouraging and it is hopeful of sustaining the good performance in the coming years too.

In view of the encouraging trend in the rubber thread market, the company had undertaken its expansion plan for putting up two more lines and the commercial production of the third line has commenced during the year 2013-14. The project for putting up the fourth line is in underway and the plant is expected to get completed by the 4th quarter of this financial year. The cost of the putting up the third line has been funded entirely from internal sources and the company hopes to fund the entire cost for the fourth line also internally.

#### DIVIDEND

In view of the excellent performance during the year under review, the Board of Directors has recommended a dividend of 12% ( 60 Ps per share of face value Re.5/-) for the year, subject to the approval of the shareholders at the ensuing Annual General Meeting. It is to be mentioned that this is the maiden dividend from the company 19 years after coming out with IPO in the year 1994.

#### CAPITAL EXPENDITURE/EXPANSION PLAN

As explained early, the Company has completed the expansion project for putting up the third production line and the total cost of the project was Rs. 920 Lacs towards

Plant and machinery and Buildings. Out of this, an amount of Rs. 847.69 lakhs has already been spent and the Commercial production has started this year. The Company is also planning to add one more line which is expected to be completed during the fourth quarter of the financial year 2013-14.

#### CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report, Management Discussion and Analysis, and the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report.

#### DIRECTORS

Mr. Bharat J Dattani and Mr. Thomas Calton Thompson III, Directors, retire by rotation and being eligible offer themselves for reappointment.

#### AUDITORS

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

#### INDUSTRIAL RELATIONS

The Industrial Relations climate continues to remain harmonious and congenial. 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

The directors report that

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The Directors have selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period.

- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) 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 DEPOSITS

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 co-operation and assistance given by M/s. Rubpro Sdn. Bhd., Malaysia, Kerala State Industrial Development Corporation Ltd, M/s. Integrated Enterprises India Ltd, Punjab National Bank, 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 the employees at all the 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

Bharat J. Patel  
Chairman

Mumbai  
9<sup>th</sup> May, 2013

## 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 31.03.2013.

### A. CONSERVATION OF ENERGY

- a) During the year the following Energy Conservation measures were undertaken.
- Rainwater Harvesting System was extended to new plant buildings with additional catchment area of 14000 Sq.Ft.
  - Did an energy management exercise which resulted in installation of more energy efficient motors at various points.
  - Did an overhaul of insulation of various heating systems to conserve energy.
  - Waste water re-cycling system introduced and recycled water is used in plant.
- b) Additional investment and proposal if any : Nil
- 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 have resulted in reduction per unit consumption of energy.

### B. TECHNOLOGY ABSORPTION

#### FORM - B (SEE RULE 2)

Form of Disclosure of Particulars with respect to Technology Absorption

Research and Development :

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

1. Efforts in brief made towards technology

Absorption, adaptation and innovation : Nil

2. 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 : 720.81

#### 2) FOREIGN EXCHANGE OUT GO

a) Raw materials : 21.48

b) Stores and Spares : 33.76

c) Testing Charges : 0.31

d) Travelling Expense : 2.66

e) Capital Purchase : 67.55

f) Sales Commission : 1.04

g) Other Expenditure : 0.61

Mumbai

09./05 /2013

For and on behalf of

Board of Directors

Bharat J.Patel

Chairman

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In pursuit of its long term corporate goals, the company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations.

### 2. BOARD OF DIRECTORS

Composition of the Board and category of Directors :

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 J. Dattani Mr. Dhiren S. Shah Mr. Hardik B. Patel
Non-Executive Independent Directors	-	Mr. Samir. K. Shah Mr. Patrik M Davenport

Attendance of each Director at the Board Meeting and Last Annual General Meeting :

Name of Director	No. of Board Meetings	Attended	Attendance at the last AGM
Mr. Bharat J. Patel	5	4	Present
Mr. G. Krishna Kumar	5	4	Present
Mr. Thomas Calton Thompson III	5	3	Present
Mr. Bharat J. Dattani	5	4	Present
Mr. Dhiren S. Shah	5	4	Present
Mr. Hardik B. Patel	3	2	Present
Mr. Samir. K. Shah	5	2	–
Mr. Patrik M Davenport	5	4	Present

Five Board Meetings were held on 08/05/2012, 05/07/2012, 06/08/2012, 05/11/2012 and 14/02/2013.

### 3. AUDIT COMMITTEE:

Brief description of terms of reference:

To oversee the company's financial reporting process, internal control systems, reviewing the accounting policies and practices; ensuring that financial statements are correct, sufficient and credible; reviewing with management the annual financial statements for submission to the Board; reviewing the internal audit observations and action taken thereon; ensuring compliance with Stock Exchange and other legal requirements and also recommending of the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services. The composition, role, functions and powers of the Audit Committee are in consonance with the requirements of applicable laws, rules and regulations

The committee met four times during the year on 08/05/2012, 06/08/2012, 05/11/2012 and 14/02/2013.

### 4. REMUNERATION COMMITTEE :

The Company had formed a Remuneration Committee in compliance with Clause 49 of the Listing Agreement. The Committee reviews the remuneration policy of the Company.

Details of Remuneration paid to Managing Director for the year 2012 - 13 :

The aggregate of salary and perquisites paid to the Managing Director for the year ended 31st March, 2013 is as follows:

Mr. G Krishna Kumar - Rs. 32.29 lacs



5. SHAREHOLDER'S INVESTOR'S GRIEVANCE COMMITTEE :

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 31st March, 2013, there are no complaints / queries pending reply. There were no share transfer pending for registration for more than 30 days as on the said date.

6. GENERAL BODY MEETINGS :

Location and time for the last three Annual General Meetings -

Year	AGM	Venue	Date	Time	No. of Special Resolutions
2009 - 10	AGM	Panchayat Kalyana Mandapam,Pudusserry.	25/09/2010	11.30 a.m	Nil
2010 - 11	AGM	SKM Auditorium, Kanjikode.	30/09/2011	11.00 a.m	Nil
2011 - 12	AGM	SKM Auditorium, Kanjikode.	28/09/2012	11.00 a.m	Nil

7. 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.

8. MEANS OF COMMUNICATION :

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.

9. GENERAL SHAREHOLDER INFORMATION :

- a) AGM Date, Time & Venue : 14th August, 2013 at 11.00 a.m  
at SKM Auditorium, Kanjikode
- b) Financial Calendar 2013 - 14 :
- i) Results for the Quarter ended 30/06/2013 : On or before 14th August, 2013.
- ii) Results for the Quarter ended 30/09/2013 : On or before 14th November, 2013.
- iii) Results for the Quarter ended 31/12/2013 : On or before 14th February, 2014.
- iv) Results for the Quarter ended 31/03/2014 : On or before 31st May, 2014.
- c) Book Closure Date : 08th August, 2013 to 14th August, 2013  
(both days inclusive)
- d) Listing on Stock Exchange : Mumbai Stock Exchange.  
Listing Fee for the year 2013 - 14  
have been paid to the Stock Exchange
- e) Stock Market Data (Bombay Stock Exchange - BSE) :

Month	Month's High Price	Month's Low Price
April - 2012	14.73	8.05
May - 2012	16.65	11.15
June - 2012	20.00	13.16
July - 2012	19.70	15.10
August -2012	19.85	17.10
September -2012	23.00	17.00
October - 2012	25.20	21.45
November -2012	25.45	21.80
December - 12	24.45	20.80
January - 13	23.45	19.00
February - 13	21.80	17.00
March - 13	19.00	15.20

- f) Registrar / Share Transfer Agents /  
Depository Registrar

: M/s.Integrated Enterprises (I) Ltd  
2nd Floor, "Kences Towers",  
1, Ramakrishna Street,  
North Usman Road, T. Nagar,  
Chennai - 600 017.

- g) Shareholding Pattern as on 31/03/2013 :

Category	No. of Shares held	% of Shareholding
Promoters	2704999	64.10
Mutual Funds / UTI / Fin. Institutions / Banks	66080	0.15
Bodies Corporates	1400619	3.24
Public Individuals	39045831	32.51
Total	43217529	100.00

- h) Distribution on Shareholding as on 31/03/2013 :

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Upto 500	42170	93.55	5129110	11.86
501 - 1000	1584	3.51	1238037	2.86
1001 - 2000	657	1.46	985643	2.28
2001 - 3000	202	0.45	508905	1.18
3001 - 4000	137	0.30	494943	1.15
4001 - 5000	78	0.18	363059	0.84
5001 - 10000	112	0.25	806994	1.87
10001 & above	136	0.30	33690838	77.96
Total	45076	100.00	43217529	100.00

- i) Dematerialisation of Shares :

Shares of the Company are compulsorily traded in DEMAT form by all categories of investors. Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of the shares for scrip-less trading. The ISIN allotted for the shares of the Company is INE642C01025. As on 31st March, 2013 81.14% shares of the company were held in Dematerialised form.

- j) Registrar / Transfer Agents / Depository Registrars :

(Share Transfer / Dematerialisation and communication regarding Share Certificates and Change of Address)

M/s.Integrated Enterprises (I) Ltd  
2nd Floor, "Kences Towers",  
1, Ramakrishna St., North Usman Road,  
T. Nagar, Chennai - 600 017  
Tel : (044) 28140801 - 03  
Fax : (044) 28142479  
E-mail: corpserve@integratedindia.com

- k) 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.

I) Any query on Annual Report

Secretarial Department  
RUBFILA INTERNATIONAL 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 09/05/2013.

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

1. We have reviewed the compliance of Corporate Governance requirements by Rubfila International Ltd (the Company) during the year ended 31st March, 2013, 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 grievance 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 information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been complied with in all material respect by the Company.

For MOHAN & MOHAN ASSOCIATES  
Chartered Accountants

Thiruvananthapuram  
9th May, 2013

R. SURESH MOHAN  
Partner

## MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATION

### A) INDUSTRY STRUCTURE AND DEVELOPMENT :

Rubber threads find major applications in the garment industry. The threads used in this segment are normally covered with textile fibers of various types in special covering machines and made into elastic tapes. These tapes are then woven into foundation garments, swim-suits, various types of inner wear and other forms of garments. As such, HRLRT is a product which touches the day to day life of individuals. In addition to this, rubber threads are used in other industries like furniture, healthcare, sports and entertainment, toys etc.

#### Market Scenario:

The growth achieved by the Indian economy has reflected in the rubber thread industry also with the same clipping a healthy rate of growth. The rapid rise in the income levels of people has led to drastic changes in the standard of living resulting in increased spending in lifestyle related products. This has impacted the rubber thread market also in a positive manner. Inner wears, where rubber threads are used in large volume, is seen as one of the fastest growing market segments in India now. As per reports, a sizeable quantum of this growth is coming from the Tier 2 and Tier 3 towns in the country which is a promising factor for the market.

During the year under review, rubber thread market in India grew reasonably well. The company could maintain the order book position at healthy levels throughout the year. Growth was seen across the various markets geographically placed in the western, southern and eastern regions of the country.

As was the case in the past few years, the company had limited its exports business to some of the niche markets. With the greater focus on the domestic market, many enquiries from the international markets were overlooked during this period. But with the manufacturing capacity getting enhanced, efforts have been stepped up to garner more sales from the international market. Countries like Italy, Bangladesh, Turkey, USA, Japan etc which have sizeable market for rubber threads are in the radar for tapping for more sales. The fact that the brand 'Rubfil' has a good recall among the customers in these markets is going to help the company.

### B) OPPORTUNITIES AND THREATS :

Strength of the Company are:

1. Largest manufacturer and pioneer in the domestic market
2. Strong brand image built in the last 19 years.
3. Products Certified Oeko-Tex Standard, an acclaimed certification in textile sector.
4. Prompt supplies and good customer relationship

The major threats being faced by the Company are :-

1. Cheaper imports
2. Tight liquidity situations due to the recessionary trends.

### C) OUTLOOK :

Company continues to strive towards expanding its customer base, implementing cost effectiveness and reposing customer confidence. Directors are hopeful of a positive business outlook for the economy as a whole and the company in particular.

### D) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

The Company has proper and adequate internal control systems 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. The existing wage settlement entered into between the Management and the Trade Unions is in force till 31st March, 2014.

#### 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.

## INDEPENDENT AUDITORS' REPORT

To,

The Members of  
Rubfila International Limited.  
Palakkad

### Report on Financial statements

We have audited the attached Balance Sheet of Rubfila International Limited, which comprise Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cashflows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956. This responsibility included the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends on the auditors judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentations of the financial statements.

We believe that audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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

- In the case of Balance Sheet of the state of affairs of the company as at 31st March 2013;
- In the case of the Statement of profit and loss of the profit for the year ended on that date, and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

### Report on other Legal and Regulatory Requirements

- 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, 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.

As required by Section 227 (3) of the Act, We report that

- 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.
- 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 those books;
- The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the Balance sheet, the statement of profit and loss and the Cash Flow statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956.
- On the basis of the written representations received from the Directors of the Company as on 31st March 2013, taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act 1956.

For MOHAN & MOHAN ASSOCIATES  
Chartered Accountants

R.SURESH MOHAN  
(Partner)

Mem No. 13398.  
Firm No. 02092 S

Place : Thiruvananthapuram

Date : 9th May, 2013

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

*(Referred to in paragraph 1 under the heading of " Report on Other legal and Regulatory Requirements " of our report of even date )*

1. In respect of Fixed Assets
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. 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.
  - c. 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.
2. In respect of Inventories:
  - a. According 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.
3. The company has not taken loans during the year from the Companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services . During the course of our audit, we have not observed any major weakness in such internal control system
5. 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
6. According to the information and explanations given to us, The Company has NOT accepted any deposits from the public, with in the meaning of Section 58 and 58AA or any other relevant provisions of the Companies Act 1956 and the Companies (Acceptance of Deposits ) Rules 1975.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business .
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. According to the information and explanations given to us in respect of statutory dues
  - a. The company has been generally regular in depositing undisputed statutory dues including Service tax , Income Tax , Provident Fund and other applicable statutory dues applicable to it with the appropriate authorities.
  - b. There are no undisputed amounts payable in respect of service tax , Income tax, provident fund and other material statutory dues in arrears as at 31st March 2013, for a period of more than six months from the date they became payable.
  - c. 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;



Nature of Dues	Forum before which the dispute is pending	Period	Demand in Lakhs	Provision in Lakhs
KGST	Dy. Commissioner (Appeals), Ernakulam	2002-03	Rs. 395.37	Rs. 6.48
	-do-	2003-04	Rs. 167.16	Rs. 0.72
	-do-	2004-05	Rs. 173.31	Rs. 0.41
CST	-do-	2002-03	Rs. 125.75	Rs. 69.12
	-do-	2003-04	Rs. 145.61	Rs. 39.39
	-do-	2004-05	Rs. 108.30	Rs. 30.88

10. The Company does not have any accumulated losses nor has incurred any cash losses during the current and the immediately preceding financial year .
11. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. 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.
13. In our opinion the Company is not a chit fund /nidhi /mutual benefit fund / society Therefore the provisions of clause (xiii ) of paragraph 4 of the order is not applicable to the Company .
14. According to the information and explanations given to us , the Company is not dealing in shares , securities and debentures and other investments .Accordingly the provisions of clause 4 (xiv ) of the order are not applicable to the Company
15. According to the information and explanation given to us , the Company has not given guarantee for loans taken by others from banks or financial institutions
16. According to the information and explanations given to us , the Company did not have any term loans outstanding during the year Accordingly the provisions of Clause 4 (xvi ) of the order are not applicable to the Company
17. 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
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act1956
19. The Company has not issued any debenture during the year.
20. The Company has not raised any funds through public issue during the year.
21. According to the information given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

For MOHAN & MOHAN ASSOCIATES

Chartered Accountants

R.SURESH MOHAN

(Partner)

Mem No. 13398.

Firm No. 02092 S

Place : Thiruvananthapuram

Date : 9th May, 2013

## Balance Sheet as at 31 March, 2013

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
		in ` Lakhs	in ` Lakhs
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share Capital	2	2,160.88	2,160.88
Reserves & Surplus	3	2,945.98	1,919.38
		5,106.86	4,080.26
Non-current liabilities			
Long-term provisions	4	162.39	157.48
		162.39	157.48
Current liabilities			
Trade Payables	5	476.00	362.63
Other Current Liabilities	6	82.05	70.49
Short term provisions	7	373.37	70.36
		931.42	503.48
<b>TOTAL</b>		<b>6,200.67</b>	<b>4,741.22</b>
<b>ASSETS</b>			
Non-current assets			
Fixed Assets			
i) Tangible Assets	8	1,632.46	1,849.13
ii) Intangible Assets	8	2.21	3.52
iii) Capital Work in Progress	8	847.69	-
		2,482.36	1,852.65
Long-term loans and advances	9	25.41	23.34
Deferred Tax Asset (Net)	34	2.31	-
		2,510.08	1,875.99
Current assets			
Inventories	10	310.45	282.73
Trade Receivables	11	1,397.55	1,089.98
Cash and Cash Equivalents	12	204.36	305.04
Short term Loans and advances	13	1,764.02	934.87
Other Current Assets	14	14.21	252.61
		3,690.59	2,865.22
<b>TOTAL</b>		<b>6,200.67</b>	<b>4,741.22</b>
Significant Accounting Policies & Notes forming part of the financial statements	1-36		

As per our reports attached.  
For Mohan & Mohan Associates  
Chartered Accountants

R. Suresh Mohan  
Partner  
Membership No : 13398  
Firm No : 02092 S

Place : Thiruvananthapuram  
Date : 9th May, 2013

For and on behalf of the Board of Directors

Bharat J Patel  
Chairman

G.Krishna Kumar  
Managing Director

N.N. Parameswaran  
Chief Finance Officer & Company Secretary

Place : Mumbai  
Date : 9th May, 2013



## Statement of Profit and Loss for the year ended 31 March, 2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		in ` Lakhs	in ` Lakhs
Revenue from operations (gross)	15	10,595.90	1 0,092.84
Less: Excise duty		571.96	436.70
Revenue from operations (net)		10,023.94	9,656.14
Other income	16	149.26	111.34
<b>Total revenue</b>		<b>10,173.20</b>	<b>9,767.48</b>
<b>Expenses</b>			
(a) Cost of materials consumed	17	7,196.82	7,338.76
(b) Purchases of stock-in-trade	18	1.21	5.36
(c) Changes in inventories of finished goods.	19	( 19.95)	42.60
(d) Employee benefits expense	20	451.16	345.93
(e) Finance costs	21	6.15	8.60
(f) Depreciation and amortisation expense	8	279.73	277.13
(g) Other expenses	22	909.53	757.05
<b>Total expenses</b>		<b>8,824.65</b>	<b>8,775.44</b>
Profit before exceptional items and tax		1,348.55	992.05
Exceptional items	23	-	2,285.05
Profit before tax		1,348.55	3,277.10
Tax expense -			
(a) Current tax expense for current year		277.27	-
(b) (Less): MAT credit		256.38	-
		20.89	
(e) Deferred tax	34	(2.31)	-
		18.58	-
<b>Profit after Tax</b>		<b>1,329.97</b>	<b>3,277.10</b>
Earnings per share (of ` 5/- each):			
Basic & Diluted	33	3.08	2.99
Earnings per share (after extraordinary items) (of ` 5/- each):			
Basic & Diluted	33	3.08	9.88
Significant Accounting Policies & Notes forming part of the financial statements	1-36		

As per our reports attached.  
For Mohan & Mohan Associates  
Chartered Accountants

R. Suresh Mohan  
Partner  
Membership No : 13398  
Firm No : 02092 S

Place : Thiruvananthapuram  
Date : 9th May, 2013

For and on behalf of the Board of Directors

Bharat J Patel  
Chairman

G.Krishna Kumar  
Managing Director

N.N. Parameswaran  
Chief Finance Officer & Company Secretary

Place : Mumbai  
Date : 9th May, 2013

## Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		1,348.55		3,277.10
<u>Adjustments for:</u>				
Depreciation and amortisation	271.27		271.70	
(Profit) / loss on sale / write off of assets	1.17		(0.71)	
Finance costs	6.15		8.60	
Interest income	(135.20)		(42.94)	
Net (gain) / loss on sale of investments	-		(8.11)	
Rental income from operating leases	(7.57)		(13.18)	
Liabilities / provisions no longer required written back	-		(33.01)	
Provision for doubtful trade and other receivables, loans and advances	39.98		7.52	
Provision for contingencies	-		(2,285.05)	
Other non-cash charges - Preliminary Expenses	-		-	
	175.80		(2,095.18)	
Operating profit / (loss) before working capital changes		1,524.35		1,181.92
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(27.72)		(86.81)	
Trade receivables	(307.57)		(244.46)	
Short-term loans and advances	(829.15)		(555.74)	
Long-term loans and advances	(2.07)		(107.10)	
Other current assets	238.40		(232.01)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	113.37		48.14	
Other current liabilities	11.56		(25.59)	
Short-term operating provisions	(21.26)		46.05	
Long-term provisions	4.91		(758.30)	
	(819.53)		(1,915.82)	
		704.82		(733.90)
Cash flow from extraordinary items		(39.98)		2,319.36
Cash generated from operations		664.84		1,585.46
		-		-
Net cash flow from / (used in) operating activities (A)		664.84		1,585.46

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs
B. Cash flow from investing activities				
Capital expenditure on fixed Assets, including capital advances	(911.45)		(28.78)	
Proceeds from sale of fixed assets	9.31		6.90	
Interest received	135.20		42.94	
Rental income from operating leases	7.57		13.18	
Cash generated from Investments		(759.37)		34.24
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		(759.37)		34.24
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		893.53	
Repayment of long-term borrowings	-		(2,432.65)	
Finance cost	(6.15)		(8.60)	
		(6.15)		(1,547.72)
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) financing activities (C)		(6.15)		(1,547.72)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)		(100.68)		71.98
Cash and cash equivalents at the beginning of the year		305.04		233.06
Cash and cash equivalents at the end of the year		204.36		305.04

As per our reports attached.  
For Mohan & Mohan Associates  
Chartered Accountants

R. Suresh Mohan  
Partner  
Membership No : 13398  
Firm No : 02092 S

Place : Thiruvananthapuram  
Date : 9th May, 2013

For and on behalf of the Board of Directors

Bharat J Patel  
Chairman

G.Krishna Kumar  
Managing Director

N.N. Parameswaran  
Chief Finance Officer & Company Secretary

Place : Mumbai  
Date : 9th May, 2013

## SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS

### Corporate Information

Rubfila International Limited (RIL) is a Public Limited Company promoted by RubproSdn. Bhd., Malaysia and Kerala State Industrial Development Corporation, with its plant located at NewIndustrial Development Area, Kanjikode, Palakkad, Kerala. Kerala is the heartland of natural rubber in India. The production facility of RIL is designed to produce both Talc Coated Rubber Thread (TCR) as well as Silicon Coated Rubber Thread (SCR). RIL is the market leader in India in the business of rubber threads and is also a leading exporter of the product from India. RIL produces rubber threads for various applications like apparel, food grade, furniture webbing, bungee jumping, toys, medical netting, diapers, catheter manufacturing etc.

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of accounting and preparation of Financial Statements

The financial Statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

#### 1.2 Use of Estimates

The preparation of financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liability) and the reported income and expenses during the year. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of relevant facts and circumstances as on the date of financial statements. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### Current – Non Current Classification

All assets and liabilities are classified into current & non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after balance sheet date; or
- It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after balance sheet date.

All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in, the entity's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after balance

sheet date; or

- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

#### Operating Cycle

Operating Cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on this, the company has ascertained less than 12 months as its operating cycle and hence 12 months has been considered for the purpose of current – non-current classifications of assets and liabilities.

#### 1.3 Inventories

Raw Materials are valued at the lower of cost on FIFO basis and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventory comprises of Cost of Purchase, Cost of Conversion and other costs incurred to bring them to their respective present location and condition including octroi and other levies, transit insurance and receiving charges. Finished goods include appropriate proportion of overheads and are valued at lower of the Cost or Net Realizable Value whichever is less.

#### 1.4 Current Assets

Company had advanced Inter Corporate loans to companies for a particular period at a specific rate of interest against security. The amount yet to receive is shown as Inter Corporate Deposits in the Balance Sheet. Interest received from above is recognized in the Statement of Profit and Loss.

#### 1.5 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are term deposits with various banks with an original maturity of less than 90 days.

#### 1.6 Cash flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing, and financing activities of the company are segregated based on available information.

#### 1.7 Fixed Assets and Intangible Asset

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost includes purchase consideration, all incidental expenses and transportation cost till commencement of commercial production and other directly attributable costs incurred to bring an Asset to its working condition for its intended use. Subsequent expenditure relating to Fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset. Intangible asset comprises of Computer Software (ERP) and it is carried at cost less amortization.

The costs of assets not ready for use as at the balance sheet date are disclosed under Capital Work-In-Progress.

#### 1.8 Depreciation and Amortization

Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on assets which have been

installed and put to use during the year. Intangible asset, ie, capitalized Computer Software costs are amortized over a period of three years.

#### 1.9 Revenue Recognition

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include Excise duty but exclude Sales Tax and Value Added Tax. Other operating revenues include income from sale of scrap and receipt from government by way of Duty Draw Back, which is recognized on receipt basis.

#### 1.10 Other Income

Interest Income and Lease Rental Income are accounted on accrual basis.

#### 1.1 Foreign Currency Transactions and Translations

Transactions in foreign currencies entered into by the company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the company and its net investment in non integral foreign operations outstanding at the Balance Sheet are restated at the year-end rates. Exchange differences arising on settlement/restatement of monetary assets and liabilities of the company are recognized as income or expense in the Statement of Profit or Loss under the head Finance Charges.

#### 1.12 Government Grants, Subsidies and Export incentives

Government Grants and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants / subsidy will be received. The Company has availed benefit under EPCG scheme and there is an export obligation of \$278,563/- to be completed by 2018. Export benefits are accounted on receipt basis only.

#### 1.13 Employee Benefits

Employee benefits include Provident fund, Superannuation fund, Gratuity fund, Medical facilities, ESI and Leave encashment facility.

##### Defined Contributions Plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

##### Defined Benefit Plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial valuations being carried out at each Balance Sheet date. Actuarial gains & losses are recognized in the Statement of Profit & Loss in the period in which they occur. Contribution to Provident Fund is also a defined benefit plan. Both employee and the company make monthly contributions to provident fund plan at a specified rate.

#### 1.14 Segment Reporting

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. The company has only one primary segment namely Manufacture and sale of Heat Resistant Latex Rubber Thread. Hence segment reporting for primary segment is not applicable. Secondary Segment is on the basis of Geographical revenues, allocated based on the location of the customer. Geographic segments of the company are disclosed as follows: Revenue outside India, i.e., Sales in Export Market, and Revenue within India, i.e., Sales in Domestic Market.

#### 1.15 Leases

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as Operating Leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight line basis.

#### 1.16 Earnings per Share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including post tax effects of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Since the company doesn't have any potential Equity shares, Dilute & Basic EPS are the same.

#### 1.17 Taxes on Income

In view of unabsorbed business loss and depreciation allowances available for set off, the company does not envisage any tax liabilities under normal tax computation. However, the company is liable to pay "Minimum Alternate Tax (MAT)" on its book profits as computed under provisions of the Income Tax Act, 1961 which is recognized as a Current Tax in the Statement of Profit and Loss. The MAT Credit available to be carried forward for set off against normal tax liability under the provisions of the Income Tax Act, 1961 is recognized as an asset to the extent that there is a convincing evidence that the company will pay normal income tax during the specified period for which such MAT credit can be carried forward and set off in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India. Such asset is created by way of a credit to the Statement of Profit and Loss account and is shown as MAT Credit Entitlement.

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using tax rates and tax laws that have been enacted or substantively enacted as on Balance Sheet date. The company has worked out deferred tax asset as at 31st March, 2013. Deferred tax asset has been recognized in the financial statements with the certainty that there will be sufficient future taxable income against which such deferred tax asset can be realized.

#### 1.18 Provisions and Contingencies

A provision is recognized if, as a result of past event, a company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligations at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosure is made.

## NOTE 2. SHARE CAPITAL

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	in ` Lakhs	No. of Shares	in ` Lakhs
Authorised Capital				
Equity Shares of ` 5 each with voting rights	70000000	3,500.00	70000000	3,500.00
Issued, Subscribed and Paid up Capital				
Equity Shares of ` 5 each with voting rights	43217529	2,160.88	43217529	2,160.88
Total	43217529	2,160.88	43217529	2,160.88

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period (Equity shares with voting rights) :

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	in ` Lakhs	No. of Shares	in ` Lakhs
Shares outstanding at the beginning of the year	43217529	2,160.88	31683707	3,168.37
Less : Share Capital written off by 60% under BIFR scheme	-	-	-	1,901.02
Shares with Face Value of ` 5 each (Previous Year ` 5 each)	43217529	2,160.88	31683707	1,267.35
Less : Reduction & Consolidation of Share Capital of 4/- into ` 5/- Face Value under BIFR Scheme	-	-	6336742	-
Shares with Face Value of ` 5/- Share	43217529	2,160.88	25346965	1,267.35
Add: Fresh Issue of Shares @ ` 5/- Share	-	-	17870564	893.53
Shares outstanding at the end of the year	43217529	2,160.88	43217529	2,160.88

Terms / rights attached to equity shares.

- The company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity share is entitled to vote per share. The company declares and pays dividend in Indian Rupees for shareholders in India and in US Dollars for shareholders outside India
- The dividend proposed is as recommended by the Board of Directors and subject to the approval of the shareholders in the ensuing Annual General Meeting
- For the year ended 31st March, 2013, the amount of dividend per share recognised as distributions to equity shareholders is Re 0.60 (12%) (31st March, 2012 - Nil)
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% holding in that class of Shares	No. of Shares held	% holding in that class of Shares
Equity Shares with voting rights				
Rubpro Sdn. Bhd., Malaysia	7316608	16.93%	7316608	16.93%
Minal Bharat Patel	4640480	10.73%	4640480	10.73%
Bharat Jamnadas Dattani	2600000	6.01%	2600000	6.01%
Kerala State Industrial Development Corporation Ltd	2736000	6.33%	2736000	6.33%



**NOTE 3. RESERVES & SURPLUS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
General reserve		
Opening balance	-	-
Add: Transferred from surplus in Statement of Profit and Loss	33.25	-
Less: Utilised / transferred during the year	-	-
Closing balance	33.25	-
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	1,919.38	(3,258.74)
Capital Reduction A/c (Reserve created due to Reduction of Paid up Share Capital under BIFR Scheme which is utilised to set off against the debit balance of Profit & Loss a/c)	-	1,901.02
Add: Profit / (Loss) for the Current Year	1,329.97	3,277.10
Less: Dividend proposed to be distributed to equity shareholders	259.31	-
Corporate Dividend Tax	44.07	-
Transferred to General Reserve	33.25	-
Closing Balance	2,912.73	1,919.38
<b>Total</b>	<b>2,945.98</b>	<b>1,919.38</b>

**NOTE 4. LONG TERM PROVISIONS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Provision for Contingent Liabilities		
Sales Tax Liability	133.89	133.89
Financial Charges on disputed liabilities	26.02	21.68
Other Provisions :		
Sales Tax Differential Payable	2.48	1.91
<b>Total</b>	<b>162.40</b>	<b>157.48</b>

**NOTE 5. TRADE PAYABLE**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Trade payables	476.00	362.63
<b>Total</b>	<b>476.00</b>	<b>362.63</b>

**NOTE 6. OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Statutory Dues Payable	22.57	21.99
Advances received from Customers	19.75	11.70
Provision for Expenses	38.71	35.81
Other Payables	1.02	0.99
<b>Total</b>	<b>82.05</b>	<b>70.49</b>

**NOTE 7. SHORT TERM PROVISIONS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Provisions for Employee Benefits		
Provision for Bonus	14.45	53.29
Provision for Leave encashment	34.65	17.07
Provision: Others		
Provision for Taxation	20.89	-
Proposed Dividend	259.31	-
Provision for Tax on Proposed Dividend	44.07	-
<b>Total</b>	<b>373.37</b>	<b>70.36</b>

**NOTE 8 : FIXED ASSETS**

Particulars	Gross block			Accumulated depreciation				Net block	
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs
<b>Tangible Assets</b>									
Land	135.45	-	-	135.45	-	-	-	135.45	135.45
Building	418.34	-	-	418.34	142.15	12.87	-	263.33	276.20
Plant & Equipment	4,934.35	33.08	-	4,967.43	3,518.29	259.71	-	1,189.43	1,416.07
Furniture & Fixtures	23.16	3.53	-	26.68	15.75	1.32	-	9.61	7.41
Vehicles	9.85	16.41	0.35	25.91	5.30	1.86	0.26	19.00	4.55
Office Equipment	17.07	7.93	10.13	14.87	11.15	0.93	8.20	10.99	5.92
Computer & Accessories	43.30	2.52	-	45.82	39.75	1.42	-	4.65	3.55
	5,581.52	63.46	10.48	5,634.50	3,732.39	278.12	8.46	1,632.46	1,849.13
<b>Intangible Assets</b>									
Computer Software	4.70	0.30	-	5.00	1.18	1.60	-	2.22	3.52
	4.70	0.30	-	5.00	1.18	1.60	-	2.22	3.52
<b>Total</b>	5,586.22	63.76	10.48	5,639.50	3,733.57	279.72	8.46	1,634.67	1,852.65
<b>Previous year</b>	5,564.34	28.78	6.90	5,586.22	3,461.87	277.13	5.43	1,852.65	2,102.48

**NOTE 8 B : CAPITAL WORK IN PROGRESS**

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	in ` Lakhs		in ` Lakhs	
Capital work in progress for new line	847.69		-	
<b>Total</b>	847.69		-	



**NOTE 9. LONG TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Unsecured, Considered Good		
Bank Guarantee	11.70	8.10
Security Deposits with various authorities	13.71	15.24
<b>Total</b>	<b>25.41</b>	<b>23.34</b>

**NOTE 10. INVENTORIES**

(At Lower of cost and net realisable value)

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
(a) Raw Materials	98.54	133.25
(b) Work in Progress	111.65	77.21
(c) Stores & Spares	32.05	24.01
(d) Finished Goods (other than those acquired for trading)	68.21	48.26
<b>Total</b>	<b>310.45</b>	<b>282.73</b>

**NOTE 11. TRADE RECEIVABLES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment.		
Unsecured, Considered Good	2.58	7.89
Doubtful	43.88	17.14
	<u>46.46</u>	<u>25.03</u>
Less: Provision for doubtful Trade receivables	<u>43.88</u>	<u>17.14</u>
	2.58	7.89
Other Trade Receivables		
Unsecured, Considered Good	1,394.97	1,082.08
Doubtful	8.81	2.68
	<u>1,403.78</u>	<u>1,084.76</u>
Less: Provision for doubtful Trade receivables	<u>8.81</u>	<u>2.68</u>
	1,394.97	1,082.08
<b>Total</b>	<b>1,397.55</b>	<b>1,089.98</b>

**NOTE 12. CASH & CASH EQUIVALENTS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
(a) Cash on hand	0.66	0.82
(b) Balances with Banks		
- In Current Accounts	180.97	226.06
- In Deposit Accounts	22.73	78.16
<b>Total</b>	<b>204.36</b>	<b>305.04</b>

**NOTE 13. SHORT TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Loans and Advances to Employees		
Unsecured, Considered Good	( 0.18)	0.16
Prepaid Expense (Unsecured, considered good)	11.72	9.58
Balances with Government Authorities		
Unsecured, Considered Good		
CENVAT Credit Receivable	27.15	5.37
Service Tax Credit Receivable	2.44	1.58
VAT Credit Receivable (See note below)	499.72	359.85
Others	9.39	-
Advance Income Tax	278.78	8.32
Inter Corporate Deposits		
Secured, Considered Good*	935.00	550.00
<b>Total</b>	<b>1,764.02</b>	<b>934.87</b>

**Details of VAT Credit Receivable :-**

Period	As at 31st March, 2013	As at 31st March, 2012	Status
	in ` Lakhs	in ` Lakhs	
2005-06	12.00	12.00	Appellate order to be implemented CST Assessment completed. VAT Refund Received
2006-07	-	15.86	
2007-08	14.25	15.20	CST Assessment completed. Assessment Pending Assessment Pending Assessment Pending Assessment Pending Assessment Pending
2008-09	43.12	43.12	
2009-10	62.55	62.55	
2010-11	106.63	106.63	
2011-12	104.49	104.49	
2012-13	156.68	-	
<b>Total</b>	<b>499.72</b>	<b>3 59.85</b>	

**NOTE 14. OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Interest Accrued on Deposits	0.91	0.86
Interest Accrued on Inter Corporate Deposits	-	7.23
Receivable on sale of Current Investments in Shares	-	227.39
Advance to Suppliers	13.30	17.13
<b>Total</b>	<b>14.21</b>	<b>252.61</b>

**NOTE 15. REVENUE FROM OPERATIONS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
(a) Sale of Products	10,533.43	10,008.40
(b) Other Operating Revenues	62.47	84.44
	<u>10,595.90</u>	<u>10,092.84</u>
(c) Less: Excise Duty	571.96	436.70
<b>Total</b>	<b>10,023.94</b>	<b>9,656.14</b>

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Sale of Products comprises		
Manufactured Goods	10,532.53	10,008.40
Traded Goods	0.90	-
<b>Total</b>	<b>10,533.43</b>	<b>10,008.40</b>

**NOTE 16. OTHER INCOME**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Interest Income		
On deposits with banks and other balances	2.83	5.99
On Intercompany Deposits	135.20	42.65
Income Tax Refund	-	0.23
Current Investments in Mutual Funds	-	0.29
Others	1.09	1.71
Gain on sale of Current Investments in shares	-	8.11
Rental Income from Operating Leases	7.57	13.18
Profit on sale of Fixed Assets	-	0.71
Liabilities / Provisions no longer required written back	-	33.01
Miscellaneous Income	2.57	5.47
<b>Total</b>	<b>149.26</b>	<b>111.34</b>

**NOTE 17. COST OF MATERIALS CONSUMED**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Opening Stock	200.19	83.19
Add: Purchases	7,196.09	7,455.76
	<u>7,396.28</u>	<u>7,538.95</u>
Less: Closing Stock	199.46	200.19
Cost of Materials consumed	<u>7,196.82</u>	<u>7,338.76</u>
Material consumed comprises:		
Latex / Chemicals / Packing Materials	7,196.82	7,025.30
Rubber Scrap	-	313.46
<b>Total</b>	<b>7,196.82</b>	<b>7,338.76</b>

**NOTE 18. PURCHASE OF STOCK IN TRADE**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
HRLRT	36.68	-
ISNR 20	-	5.36
Less: Purchase returns	35.47	-
<b>Total</b>	<b>1.21</b>	<b>5.36</b>

**NOTE 19. CHANGES IN INVENTORIES IN FINISHED GOODS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Finished Goods at the end of the year	68.21	48.26
Finished Goods at the beginning of the year	48.26	90.86
<b>Total</b>	<b>(19.95)</b>	<b>42.60</b>

**NOTE 20. EMPLOYEE BENEFIT EXPENSE**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Salaries & Wages	363.78	289.36
Contributions to Provident and Other funds	63.40	38.21
Staff Welfare Expense	23.98	18.36
<b>Total</b>	<b>451.16</b>	<b>345.93</b>

**NOTE 21. FINANCE COST**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
(a) Interest Expense on		
- Interest on delayed payment of tax	1.49	0.24
- Bank Charges & Commission	5.97	5.72
- Provision on Disputed Liabilities	6.34	-
(b) Net (gain) / loss on Foreign currency transactions and translations (considered as Finance Cost)	(7.65)	2.64
<b>Total</b>	<b>6.15</b>	<b>8.60</b>

**NOTE 22. OTHER EXPENSE**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Consumption of Stores & Spares	50.74	19.92
Power & Fuel	406.55	337.96
Effluent Treatment Expense	23.85	26.04
Rent including Lease Rentals	1.87	13.42
Repairs & Maintenance		-
Building	20.26	15.53
Machinery	0.60	6.46
Others	44.59	67.86
Insurance	0.84	0.26
Rates & Taxes	17.94	11.49
Rubber Board Cess	64.42	54.80
Communication	6.47	6.60
Travelling & Conveyance	36.90	26.89
Printing & Stationery	4.55	3.15
Freight & Forwarding	87.33	66.43
Sales Commission	1.66	42.86
Sales Discount	24.54	9.58
Business Promotions	3.18	1.51
Donations & Contributions	0.35	0.38
Legal & Professional	31.19	12.39
Payment to Auditors		-
For Statutory audit	0.75	0.75
For Taxation Matters	0.25	0.25
For Company Law matters	0.10	0.10
For Management Services	0.60	0.40
Reimbursement of Expenses	0.85	0.90
Secretarial Expense		-
AGM Expense	3.39	4.39
List up Fee	2.85	2.07
Share Transfer Charges	3.17	2.98

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Expenses Related to Consolidation of Shares	-	18.71
Directors Sitting Fee	2.85	-
Loss on Sale of Fixed Assets	1.17	-
Provision for Bad and Doubtful Debts	39.98	7.52
Less: Bad Debts provided in the Previous year recovered	(7.04)	(28.30)
Prior Period Items	1.20	1.06
Miscellaneous Expenses	31.58	22.69
<b>Total</b>	<b>909.53</b>	<b>757.05</b>

**NOTE 23. EXCEPTIONAL ITEMS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Provision for Contingent Liability Reversed	-	439.13
Waiver under BIFR Scheme for Rehabilitation	-	1,845.92
<b>Total</b>	<b>-</b>	<b>2,285.05</b>

**NOTE 24. CONTINGENT LIABILITIES & COMMITMENTS**  
(to the extent not provided for)

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
(a) Claim against the Company not acknowledged as debt:		
- Duty Draw Back	-	391.73
- Sales Tax Liability (see note below)	968.50	986.13
(b) Guarantees		
- Bank Guarantee with PNB	11.70	8.10
<b>Total</b>	<b>980.20</b>	<b>994.23</b>

**Sales Tax Liability :**

Nature of Dues	Forum before which the dispute is pending	Period	Demand	Provision
KGST	Dy. Commissioner (Appeals), Ernakulam	2002-03	` 395.37	` 6.48
-do-	-do-	2003-04	` 167.16	` 0.72
-do-	-do-	2004-05	` 173.31	` 0.41
CST	-do-	2002-03	` 125.75	` 69.12
-do-	-do-	2003-04	` 145.61	` 39.39
-do-	-do-	2004-05	` 108.30	` 30.88
		<b>TOTAL</b>	<b>` 1115.50</b>	<b>` 147.00</b>

The Company has provided ` 147.00 lakhs against the demand of ` 1115.51 lakhs during the year. In the opinion of the management, the provision made above is considered appropriate for the disputed amounts mentioned above on the ground that there are reasonable chances of successful outcome of appeals filed by the company.

**NOTE 25. VALUE OF IMPORTS CALCULATED ON CIF BASIS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Raw Materials	0.83	2.38
Capital Purchase	67.55	-
Spare Parts	33.76	9.35
Finished Goods	20.65	8.40
Total	122.79	20.13

**NOTE 26. ACTIVITY IN FOREIGN CURRENCY**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Earnings in Foreign Exchange:		
Export of goods calculated on FOB basis	702.25	834.60
Expenditure in Foreign Currency:		
Testing Charges	0.31	1.08
Sales Commission	1.04	-
Professional and Consultation Fee	-	3.00
Travelling Expenses	2.66	2.48
Other Matters	0.61	4.84
	4.62	11.40

**NOTE 27. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS**

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	%	in ` Lakhs	%	in ` Lakhs
Imported				
Raw Materials	0.01%	0.83	0.03%	2.38
Spare Parts	19.55%	33.76	7.59%	9.35
		34.59		11.73
Indigenous				
Raw Materials	99.99%	7335.03	99.97%	7,454.56
Spare Parts	80.45%	138.91	92.41%	113.77
		7,473.94		7,568.33

**NOTE 28. DETAILS OF GOVERNMENT GRANTS (Disclosures under Accounting Standards)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Government Grants received by the company during the year towards Duty Draw Back. (Recognized under other Operating Revenues)	14.87	20.98
	14.87	20.98

**NOTE 29. EMPLOYEE BENEFITS PLAN**

The Company makes Provident Fund and Super Annuation Fund contributions to defined Contribution plans for qualifying employees. Under the Schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ` 29.32 (Year ended 31 March, 2012 ` 19.45) for Provident Fund contributions and ` 2.08 (Year ended 31 March, 2012 ` 1.70) for Super Annuation Fund Contributions in the Statement of Profit and Loss. The Contributions payable to these plans by the company are at rates specified in the rules of the schemes.

## Gratuity Report under AS 15 (Revised 2005) for the year ended 31st March, 2013 :

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
1. Assumption		
Discount Rate	8%	8%
Salary Escalation	7%	7%
2. Table showing changes in the present value of Obligation		
Present value of Obligation as at the beginning of the year	74.45	69.60
Interest Cost	5.96	5.57
Current Service Cost	4.17	4.16
Benefits paid	(2.49)	(2.61)
Actuarial (gain) / Loss on obligation	21.98	(2.27)
Present value of Obligation as at the end of the year	104.07	74.45
3. Table showing changes in Fair Value of Plan Assets		
Fair Value of Plan assets at the beginning of the year	77.44	68.29
Expected return of Plan assets	7.98	6.28
Contributions	29.00	5.48
Benefits paid	(2.49)	(2.61)
Actuarial (gain) / Loss on Plan assets	Nil	Nil
Fair Value of Plan assets at the end of the year	111.93	7.44
4. Table showing fair value of Plan assets		
Fair Value of Plan assets at the beginning of the year	77.44	-
Actual return on Plan assets	7.98	68.29
Expected Return on Plan assets	-	6.28
Contributions	29.00	5.48
Benefits paid	(2.49)	(2.61)
Fair Value of Plan assets at the end of the year	111.93	77.44
Funded Status	7.87	2.99
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil	Nil
5. Actuarial (Gain) / Loss recognised		
Actuarial (gain) / loss on obligations	(21.98)	2.27
Actuarial (gain) / Loss on Plan assets	Nil	Nil
Total Actuarial (gain) / loss for the year	21.98	(2.27)
6. The amounts to be recognised in the Balance Sheet and Statements of Profit / loss		
Present value of Obligation at the end of the year	104.07	74.45
Fair Value of Plan assets at the end of the year	111.93	77.44
Funded Status	7.87	2.99
Net Asset / (Liability) recognised in the Balance Sheet	7.87	(2.99)
7. Expenses recognised in the Statement of Profit & Loss		
Current Service Cost	4.17	4.16
Interest Cost	5.96	5.57
Expected Return on Plan assets	7.98	(6.28)
Net Actuarial (gain) / Loss recognised in the year	21.98	(2.27)
Expenses recognised in the Statement of Profit & Loss	24.12	1.18

#### NOTE 30. SEGMENT REPORTING

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. The Company has only one primary segment namely Manufacture and sale of Heat Resistant Latex Rubber Thread. Hence segment reporting for primary segment is not applicable. Secondary Segment is on the basis of Geographical revenues, allocated based on the location of the customer. Geographic segments of the company are disclosed as follows: Revenue outside India, i.e., Sales in Export Market and Revenue within India, i.e., Sales in Domestic Market.

The Geographic segments individually contributing to the company's revenue and segment assets are as follows:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Assets	Revenues	Assets	Revenues
Outside India				
Asia	22.10	186.04	41.39	196.18
Europe	27.01	441.36	0.00	362.63
Africa	-	61.98	0.00	61.66
America	0.36	12.87	0.35	0.00
Within India	1,348.07	9,831.18	1048.24	9,387.93

#### NOTE 31. RELATED PARTY DISCLOSURE

##### Details of Related Parties

##### Promoters / Associates:

M/s Entelechy Holdings Corporation  
Ms. Annie Guat Chew  
Mr. Barry Yates  
Mr. Christopher Chong  
Ms. Bharati Bharat Dattani  
Mr. Bharat Jamnadas Dattani  
Bharat Jamnadas HUF  
Ms. Minal Bharat Patel  
Mr. Hardik Patel  
Mr. Dhiren S Shah  
M/s Rubpro Sdn Bhd.  
M/s Aaryaa Advisory Services Pvt Limited

##### Key Management Personnel

Mr. G. Krishna Kumar (Managing Director)

##### Details of Related Party Transactions during the year ended 31st March, 2013:

	Promoters / Associates	Key Management Personnel	Total
Equity Shares issued against Loan brought in by the Promoters and its Associates as per BIFR order dt 05/09/2011	0.00 <i>893.53</i>		0.00 <i>893.53</i>
Finance (including loans and equity contributions in cash or kind)	0.00 <i>250.00</i>		0.00 <i>250.00</i>
Write off / write back made during the Year	0.00 <i>285.92</i>		0.00 <i>285.92</i>
Directors Sitting Fee	2.85 <i>0.00</i>		2.85 <i>0.00</i>
Technical Consultancy Services	1.11 <i>0.00</i>		1.11 <i>0.00</i>
Remuneration	- <i>-</i>	32.29 <i>15.48</i>	32.29 <i>15.48</i>
Note :- Figures in Italics relates to Previous year			



**NOTE 32. LEASE**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
<b>As Lessor</b>		
The Company has entered into operating lease arrangements for certain surplus facilities. The Lease is cancellable by giving 2 months notice for the period of 3 years from 1st April, 2011 and may be renewed for a further period of 3 years based on mutual agreement of the parties.		
Lease rent	7.57	13.18
<b>As Lessee</b>		
The company had entered into operating lease arrangements for certain facilities and office premises. The Leases were cancellable from 19th September, 2011 and the lease was terminated as on 31st March, 2012.		
Lease rent per month is ` 2.25 lakhs		
Lease payments recognised in the Statement of Profit / Loss	0.00	11.25

**NOTE 33. EARNING PER SHARE**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
Earnings per Share of ` 5 each		
Weighted Average No. of Equity Shares	43217529	33167887
Basic & Diluted		
Profit for the year before extraordinary items (` lakhs)	1,329.97	992.05
Basic EPS (before extraordinary items) (`)	3.08	2.99
Net Profit for the year (` lakhs)	1,329.97	3,277.10
Basic EPS (after extraordinary items) (`)	3.08	9.88

The Diluted EPS is computed by dividing the Net profit after Tax available for Equity shareholders by the weighted average number of Equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible Bonds for the respective period. Since the Company doesn't have any Warrants, Stock Options and Convertible Bonds, Dilutive EPS will be the same as Basic EPS and hence Dilutive EPS is not computed.

**NOTE 34. DEFERRED TAX CALCULATION**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ` Lakhs	in ` Lakhs
<b>Deferred Tax Liability</b>		
Fixed Asset	303.21	366.49
<b>Total</b>	<b>303.21</b>	<b>366.49</b>
<b>Deferred Tax Asset</b>		
Leave Encashment Liability	11.24	5.46
Provision for Doubtful debts	17.09	6.43
Sales Tax Liability	1.61	2.43
Provision for Contingent Liability	51.88	177.56
Unabsorbed Depreciation c/f	223.69	718.00
<b>Total</b>	<b>305.52</b>	<b>909.88</b>
Net deferred tax (liability) / asset	2.31	543.39

**NOTE 35. DETAILS OF PROVISION FOR CONTINGENT LIABILITY**

The Company has made provisions for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, after effecting reversals appropriated as per expert opinions and details of which are given below :

Particulars	As at 31st April, 2012	Additions	Reversal	As at 31st March, 2013
	in ` Lakhs	in ` Lakhs	in ` Lakhs	in ` Lakhs
Electricity Charges	0.00	0.00	0.00	0.00
	<i>21.00</i>	<i>0.00</i>	<i>21.00</i>	<i>0.00</i>
Excise Duty on Sale of Scrap	0.00	0.00	0.00	0.00
	<i>16.21</i>	<i>0.00</i>	<i>16.21</i>	<i>0.00</i>
Sales Tax	133.89	0.00	0.00	133.89
	<i>133.89</i>	<i>0.00</i>	<i>0.00</i>	<i>133.89</i>
Financial Charges on Disputed Liabilities	21.68	6.34	2.00	26.02
	<i>31.88</i>	<i>0.00</i>	<i>10.20</i>	<i>21.68</i>
Duty Draw back	0.00	0.00	0.00	0.00
	<i>391.73</i>	<i>0.00</i>	<i>391.73</i>	<i>0.00</i>
Total	155.57	6.34	2.00	159.91
	<i>594.71</i>	<i>0.00</i>	<i>439.14</i>	<i>155.57</i>
Note :- Figures in Italics relates to Previous year				

**NOTE 36. PRIOR PERIOD COMPARATIVES**

Previous years figures have been reworked, regrouped, rearranged and reclassified, wherever necessary, to correspond with the current year's classification / disclosure

## ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Shares held \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_ DP ID\* \_\_\_\_\_ Client ID\* \_\_\_\_\_

I hereby record my presence at the 20th Annual General Meeting of the Members of the Company being held today, the 14th August, 2013 at 11.00 a.m. at SKM Auditorium at Chedayankalai, Kanjikode.

\_\_\_\_\_  
Member's / Proxy's Signature

*NOTE:* Members/Proxy holders are requested to bring their copy of the Annual Report with them at the Meeting.

\* Applicable for Shareholders holding Shares in electronic form.

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## PROXY FORM

Shares held \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_ DP ID\* \_\_\_\_\_ Client ID\* \_\_\_\_\_

(Name in BLOCK letters) \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members 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 vote for me / us on my / our behalf at the 20th Annual General Meeting of the Company to be held on 14th August, 2013 at 11.00 a.m. at SKM Auditorium at Chedayankalai, Kanjikode and at any adjournment thereof.

Signature \_\_\_\_\_

Affix  
one Rupee  
Revenue  
Stamp

*NOTE:* The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

\* Applicable for Shareholders holding Shares in electronic form.



**RUBFILA**  
**International Limited**

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Palakkad, - 678 621, Kerala, India.

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Email : [rubfila@vsnl.com](mailto:rubfila@vsnl.com), [rubfila@gmail.com](mailto:rubfila@gmail.com)

Website : [www.rubfila.com](http://www.rubfila.com)

## FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1. Name of the Company : RUBFILA INTERNATIONAL LTD
2. Annual Financial Statement for the year ended : 31<sup>st</sup> March, 2013
3. Type of audit observation : Un-qualified.
4. Frequency of observation : Not Applicable
5. To be signed by :

a) CEO / Managing Director

:   
Mr. G. Krishna Kumar  
Managing Director

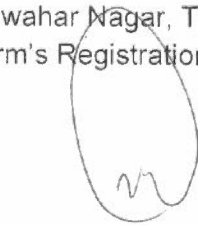
b) CFO & Company Secretary

:   
Mr. N.N. Parameswaran  
CFO & Company Secretary.

c) Auditor of the Company

:   
Mr. R. Suresh Mohan  
Membership No. 13398  
Partner  
Mohan & Mohan Associates  
Chartered Accountants,  
Jawahar Nagar, Trivandrum  
Firm's Registration No. 02092 S

d) Audit Committee Chairman

:   
Mr. Patrick M. Davenport  
Director