



**RUBFILA**  
**International Limited**

**21st ANNUAL REPORT**  
**2013-14**



**RUBFILA**  
**International Limited**

CIN : L25199KL1993PLC007018

NIDA Menonpara Road, Kanjikode P.O.

Palakkad, - 678 621, Kerala, India.

Tel : +91 491 2567261-64, Fax : +91 491 2567260

Email : rubfila@vsnl.com, rubfila@gmail.com

Website : www.rubfila.com

## **TWENTY FIRST ANNUAL REPORT 2013 – 14**

### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

**BHARAT J PATEL**  
Chairman

**BHARAT J DATTANI**  
Director

**THOMAS CALTON THOMPSON III**  
Director

**DHIREN S SHAH**  
Director

**HARDIK B PATEL**  
Director

**SAMIR K SHAH**  
Director

**PATRICK M DAVENPORT**  
Director

**G KRISHNA KUMAR**  
Managing Director

**N N PARAMESWARAN**

**PUNJAB NATIONAL BANK LTD.**

**M/s.Mohan & Mohan Associates**  
Chartered Accountants  
A-21, Jawahar Nagar,  
Trivandrum – 695 041

**COMPANY SECRETARY &  
CHIEF FINANCE OFFICER**

**BANKER**

**AUDITORS**

**REGISTERED OFFICE & FACTORY**

New Industrial Development Area,  
Kanjikode, Palakkad, Kerala – 678 621

## NOTICE OF THE TWENTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of Rubfila International Ltd will be held at SKM Auditorium at Chedyankalai, Kanjikode – 678 621 on 12<sup>th</sup> day of August, 2014 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 2014, 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. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
- 4) To appoint a Director in the place of Mr. Samir K. Shah, 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.

### SPECIAL BUSINESS

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Section 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Company be and is hereby accorded to the appointment of Mr. G. Krishna Kumar (holding DIN 01450683), who was appointed as "non-retiring Director" of the Company by the Board of Directors with effect from 1<sup>st</sup> November, 2013 under the Articles of Association of the Company, as the "Managing Director" of the Company for a period of 3 years from 1<sup>st</sup> November, 2013, on the terms and conditions of appointment and remuneration as contained in the Order of Appointment, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. G. Krishna Kumar."

- 7) To consider and, if deemed fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as **"Act"**), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as **"SEBI ESOP GUIDELINES"**) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed in or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"Board"** which term shall be deemed to include Committee(s) thereof), to reserve, offer, issue and allot any time to or to the benefit of such person(s) who are permanent employees (present or future) of the Company and Directors, as may be decided solely by the Board under one or more Employee Stock Option Scheme(s) (the **"ESOP Scheme(s)"**) not exceeding 1,500,000 equity shares of face value of Rs. 5 each (the **"Equity Shares"**) fully paid-up on payment of the requisite exercise price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may decide in accordance with the regulations or other provisions of the law as may be prevailing at the relevant time.

**"RESOLVED FURTHER THAT** the Compensation Committee of the Board is authorised to evolve, decide upon and bring into effect the ESOP Scheme(s) and determine the detailed terms and conditions of the aforementioned ESOP Scheme(s), including but not limited to the quantum of the options to be granted under the ESOP Scheme(s) (not exceeding 1,500,000 Equity Shares), options to be granted per employee, the exercise period, the vesting period, instances where such options shall lapse and to grant such options, to such employees and directors of the Company, at par

or at such other price, at such time and on such terms and conditions as set out in the ESOP Scheme(s) and as the Compensation Committee may in its absolute discretion think fit and make any modifications, changes, variations, alterations or revisions in the Compensation Committee from time to time or to suspend, withdraw or revive the ESOP Scheme(s) from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company”.

**“RESOLVED FURTHER THAT** the Equity Shares issued and allotted upon conversion of the options granted through the ESOP Scheme(s) shall rank pari passu in all respects with the then Equity Shares of the Company”.

**“RESOLVED FURTHER THAT** in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 1,500,000 Equity Shares of face value of Rs. 5 each shall be deemed to be increased to the extent of such additional Equity Shares issued”.

**“RESOLVED FURTHER THAT** the Board (including the Compensation Committee) be and is hereby authorised to take necessary steps for listing of the Equity Shares allotted upon conversion of the options granted under the ESOP Scheme(s) on the Stock Exchanges, where the Equity Shares of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations”.

**“RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the price of acquisition payable by the option grantees under the ESOP Scheme(s) shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 5 per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation,

without affecting any other rights or obligations of the said allottees”.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the said ESOP Scheme(s) as it may be deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI ESOP Guidelines and any other applicable laws”.

**“RESOLVED FURTHER THAT** as is required, the Company shall conform with the accounting policies as contained in the SEBI ESOP Guidelines.”

By Order of the Board of Directors  
 For RUBFILA INTERNATIONAL LTD

Sd/-

Palakkad  
 26-05-2014

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 5<sup>th</sup> August, 2014.
- 5) The Share Transfer Books and the Register of Members shall remain closed from 05<sup>th</sup> August, 2014 to 12<sup>th</sup> August, 2014 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 12<sup>th</sup> August, 2014.
- 7) Electronic copy of the Annual Report for 2013 – 14 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the

same. For members who have not registered their email address, physical copies of the Annual Report for 2013 – 14 is being sent in the permitted mode.

- 8) Electronic copy of the Notice of the 21<sup>st</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 21<sup>st</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 9) Members may also note that the Notice of the 21<sup>st</sup> Annual General Meeting and the Annual Report for 2013 - 14 will also be available on the Company's website [www.rubfila.com](http://www.rubfila.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Kanjikode, Palakkad, Kerala for inspection during normal business hours on working days.
- 10) Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depositories Limited (NSDL).  
The instructions for e-voting are as under :
    - A. In case a Member receives an email from NSDL (for members whose email IDs are registered with Company / Depository Participant) :
      - i) Open email and open PDF file viz, "Rubfila International e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting . Please note that the password is an initial password.
      - ii) Launch internet browser by typing the following URL :  
<http://www.evoting.nsdl.com/>
      - iii) Click on Shareholder - login
      - iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
      - v) Password change menu appears. Change the

password / PIN with new password of your choice with minimum 8 digit / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi) Home page of e-voting opens. Click on e-voting opens. Click on e-voting : Active Voting Cycles.
- vii) Select "EVEN" of Rubfila International Ltd.
- viii) Now you are ready for e-voting as Cast Vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii) Institutional shareholders (i.e; other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/ JPG) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutiniser through email to : [sivarkn@svjs.in](mailto:sivarkn@svjs.in)
- B. In case a Member receives physical copy of the Notice of AGM (for member whose email IDs are not registered with the Company / Depository Participants or requesting physical copy) :
  - i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM :  
**EVEN** (E Voting Event Number) **USER ID**  
**PASSWORD / PIN**
  - ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication (s).
- V. The e-voting period commences on 6<sup>th</sup> August, 2014 (9:00 am) and ends on 8<sup>th</sup> August, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date



(record date) of 11<sup>th</sup> August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date of 11<sup>th</sup> August, 2014).
- VII. Mr P Sivakumar Company Secretary in whole-time Practice (COP No. 2210) and Partner M/s SVJS Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the

votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.rubfila.com](http://www.rubfila.com) and on the website of the NSDL within two (2) days of passing of the resolution at the AGM of the Company and communicated to the BSE Limited.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (8.30 am to 5.15 pm) on all working days except Saturday, up to and including the date of the Annual General Meeting of the Company.

## 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. Patel (DIN - 1100361)	Mr. Samir. K. Shah (DIN - 1714717)
Date of Birth	10-03-1953	18-03-1973
Date of Appointment	08-09-2005	24-08-2007
Qualifications	Chartered Accountant	B. Com.
Expertise in specific functional area	Finance	Finance
Details of other Directorship	Urvi Holdings Pvt. Ltd PAT Holdings Pvt. Ltd Superior Financial Consultancy Services Pvt. Ltd PAT Financial Consultants Pvt. Ltd Equitable Financial Consultancy Pvt. Ltd Pankaj Cotton Company Pvt. Ltd Pranav Holdings Pvt. Ltd Securities Publications (India) Pvt. Ltd Empire Lubricants Pvt. Ltd Pasha Finance Pvt. Ltd. Gracious Properties Pvt. Ltd Fidelity Multitrade pvt. Ltd Finquest Financial Solutions Pvt. Ltd Bombay Swadeshi Stores Ltd. Sukhwant Properties Pvt. Ltd Jyoti Ltd Tee Ventures (India) Ltd Pankh Properties Pvt. Ltd. Anurati Infotech Pvt. Ltd.	Nil

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### **Item No. 6 :-**

The Board of Directors had appointed Mr.G.Krishna Kumar as the Managing Director of the Company with effect from 01/11/2013 to 31/10/2016. on the terms and conditions as follows :-

- |                         |   |             |
|-------------------------|---|-------------|
| a) Salary               | : | Rs. 255,000 |
| b) Dearness Allowances  | : | Rs. 10,750  |
| c) House Rent Allowance | : | Rs. 10,000  |

In addition to the salary, the Managing Director shall also be entitled to perquisites namely Personal Accident Insurance, Car and Telephone, Leave Travel Allowance, reimbursement of Subscriptions to newspaper and magazines, entertainment expenses, Medical Expenses for self and family,. Etc. .as per Company Rules.

Managing Director is entitled to Company's contribution to Provident Fund, Superannuation Fund, to the extent these singly or together are not taxable under the Income Tax Act. Gratuity payable as per the rules of the Company and encashment of leave at the end of tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

### **Minimum Remuneration :**

The above remuneration shall be treated as minimum remuneration, in the event of inadequacy of profit or loss as stated in Section II, Part II, of Schedule V of the Companies Act, 2013 (corresponding to Section II of Part II of Schedule XIII to the Companies Act, 1956), with such modification as may be made therein from time to time being in force.

Furthermore, approval of the members in General meeting is required to be obtained for payment of minimum remuneration, by way of salary and perquisites and allowances as specified above in the event of absence or inadequacy of profit in any financial year during the tenure of Mr.G.Krishna Kumar as the Managing Director of the Company.

None of the Directors or Key Managerial Persons of the Company, other than Mr. G. Krishna kumar, are in any way, concerned or interested in the passing of the above resolution.

### **Item No. 7 :-**

The Company is proposing to introduce an Employee Stock Option Scheme for the employee and Directors of the Company to attract, retain and motivate qualified, talented and competent personnel for the business operations for the organisation. The scheme would be titled as "Rubfila - Employee Stock Option Scheme- 2014 ("RUBFILA ESOS-2014") which was approved by the Board of Directors at their meeting held on May 26, 2014.

The ESOP scheme is being formulated in compliance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI ESOP GUIDELINES").

The main features of the ESOP Scheme are as under:

#### **1. Total number of options to be granted:**

The total number of options that may be granted in one or more tranches are up to 1,500,000 in aggregate which would result in additional 1,500,000 equity shares of Rs. 5 each in the Company on exercise of such options.

#### **2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):**

In line with the overall objective of the scheme; i.e; to attract, retain and motivate qualified, talented and competent personnel for the business operations for the Company, the scheme will be extended to the Directors/Managerial staff/those employees as may be determined by the Compensation Committee.

#### **3. Requirements of vesting and period of vesting:**

The options granted under the ESOP Scheme(s) shall vest in one or more tranches, so long as the option holder continues to be in the employment / Directorship of the Company. The options granted under the Rubfila ESOS-2014 would vest after the expiry of three years from the date of grant of options and not later than the expiry of six years from the date of grant of the options. The terms and conditions of vesting would be stipulated by the Compensation Committee.

The Compensation committee may specify additional performance criteria or other conditions for the vesting of the options granted under the ESOP Scheme(s).

**4. Maximum period within which the options shall be vested:**

Six years from the date of grant of options.

**5. Pricing Formula or Exercise Price:**

The Exercise Price shall be at such discount or premium, if any, to the market price on the date of grant as may be decided by the Compensation Committee at the time of each grant and the price shall not be less than the face value of shares.

**6. Exercise Period and the process of exercise:**

Options granted under the ESOP Scheme(s) can be exercised within a period not exceeding Six years from the date of vesting of the options granted.

The Options granted under the ESOP Scheme(s) would be exercisable by the employee by making an application to the designated person in the Company, in such manner, on execution of such documents and on such terms as may be decided by the Compensation Committee. After the expiry of the exercise period, the options granted under "RUBFILA ESOS-2014" shall not be exercisable and shall lapse. However, lapsed option shall be available for fresh issue.

**7. Appraisal process for determining the eligibility of the employees to ESOP:**

The appraisal process for determining the eligibility of the employees will be decided by the Compensation Committee from time to time.

The employees would be granted options under the ESOP Scheme(s) based on various parameters such as work performance, period of service, rank or designation and such other parameters as may be decided by the Compensation Committee from time to time.

**9. Disclosure and Accounting policies:**

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI ESOP Guidelines and the Guidance note issued by the Institute of Chartered Accountants of India on Employee Share based Payments.

**10. Method of option valuation:**

The Company shall use intrinsic value method for valuation of the options granted under the ESOP Scheme(s). The difference between the market price and grant price shall be recognized in the profit and loss account over the period of vesting.

The difference between the employee compensation cost computed using the intrinsic value method and the cost that shall have been recognized if it had used the fair value method, shall be disclosed in the Directors' Report. Further, the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report of the Company.

As the ESOP Scheme(s) provide(s) for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1) (b) and all other applicable provision, if any, of the Act and as per clause 6 of the SEBI ESOP Guidelines.

Accordingly the resolution set out in Item No. 7 is being placed for the approval of the shareholders pursuant to Section 62(1)(b) of the Companies Act, 2013 and clause 6 of the Guidelines and all other applicable provisions of the law for the time being in force.

None of the Directors or Key Managerial Persons of the Company are, in any way, concerned or interested in the passing of the above resolution, except to the extent of the options that may be granted to them under the Rubfila ESOS - 2014.

By Order of the Board of Directors  
For RUBFILA INTERNATIONAL LTD

Sd/-

N N PARAMESWARAN  
Chief Finance Officer &  
Company Secretary

Palakkad  
26-05-2014



## DIRECTORS' REPORT TO THE MEMBERS OF RUBFILA INTERNATIONAL LIMITED

The Directors have pleasure to present their 21st Annual Report and the audited Annual Accounts for the year ended 31st March 2014.

### FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	31-03-2014	31-03-2013
Total Income	13,238.80	10,595.90
Profit before depreciation	1,704.75	1,628.28
Profit before Tax	1,397.26	1,348.55
Profit after Tax	928.85	1,329.97

### PERFORMANCE REVIEW

During the year under review, the Company achieved a turnover of Rs. 13,238.80 lacs, in place of Rs.10,595.90 lacs posted for the previous year. Out of this Rs.12,037 lacs is contributed by the sales in the domestic market and Rs.1201.80 lacs by the overseas markets. The year under review also witnessed a stable growth in the over all operations of the Company, through careful planning of operations, controlling expenditure and prudent financial management practices. The order position for the company continues to be encouraging and it is hopeful of sustaining the good performance in the coming years too.

The expansion plan of the Company for putting up two more production lines has been completed during the year 2013- 14 and the commercial production started on 1<sup>st</sup> April 2013 and 26th March, 2014. It is noteworthy here to mention that the entire project cost has been funded from internal sources.

### DIVIDEND

In view of the sufficient distributable profit 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.

### 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 Patel and Mr.Samir K. Shah, 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.

### Introduction of Employee Stock Option Scheme (ESOP) :-

The Company is proposing to introduce an Employee Stock Option Scheme to attract, retain and motivate qualified, talented and competent personnel for the business operations of the organization. The scheme would be titled as "Rubfila - Employee Stock Option Scheme - 2014" ("**RUBFILA ESOS-2014**"). The proposal was considered by the Board at its meeting held on 26/05/2014 and the same will be implemented subject to the approval by the members in the ensuing Annual General Meeting.

### STATUTORY DISCLOSURES

#### Directors' Responsibility Statement

The Directors report that

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) 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

Palakkad  
26/05/2014

**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 31.03.2014.**
**A. CONSERVATION OF ENERGY**

- a) During the year the following Energy Conservation measures were undertaken.
- Installed room heating system for carton drying during rainy season instead of Thermic Fluid Heater. Replaced mercury lamps with metal fallide / CFL lamps in plant.
  - Air ventilator provided at the top roof of main plant and power house.
  - Water discharged from Effluent Treatment Plant treated and reused for cleaning factory premises.
  - Additional capacitors provided for high rated electric motors.
- 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 :  
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 : 1,138.12

**2) FOREIGN EXCHANGE OUT GO**

- a) Raw materials : 1,169.02
- b) Stores and Spares : 6.43
- c) Travelling Expense : 0.84
- d) Capital Purchase : 70.38
- e) Sales Commission : 0.62
- f) Professional & Consultation Fee : 4.63
- g) Other Expenditure : 0.06

For and on behalf of Board of Directors

**Bharat J. Patel**  
Chairman

Palakkad  
26/05/2014

## CORPORATE GOVERNANCE REPORT

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

In its efforts to strive towards greater achievements, 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 tries 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	5	Present
Mr. G. Krishna Kumar	5	5	Present
Mr. Thomas Calton Thompson III	5	2	Present
Mr. Bharat J. Dattani	5	5	Present
Mr. Dhiren S. Shah	5	4	Present
Mr. Hardik B. Patel	5	1	-
Mr. Samir. K. Shah	5	1	-
Mr. Patrik M Davenport	5	4	Present

Five Board Meetings were held on 09/05/2013, 23/07/2013, 14/08/2013, 28/10/2013 and 28/01/2014.

### 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 09/05/2013, 14/08/2013, 28/10/2013 and 28/01/2014.

### 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 2013 - 14 :

The aggregate of salary and perquisites paid to the Managing Director for the year ended 31st March, 2014 is as follows:

Mr. G Krishna Kumar - Rs. 37.31 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 thrice in a month. As on 31st March, 2014, 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.

## 6. GENERAL BODY MEETINGS :

Location and time for the last three Annual General Meetings -

Year	AGM	Venue	Date	Time	No. of Special Resolutions
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
2012 - 13	AGM	SKM Auditorium, Kanjikode.	14/08/2013	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 : 12th August, 2014 at 11.00 a.m  
at SKM Auditorium, Kanjikode
- b) Financial Calendar 2014 - 15 :
  - i) Results for the Quarter ended 30/06/2014 : On or before 14<sup>th</sup> August, 2014.
  - ii) Results for the Quarter ended 30/09/2014 : On or before 14<sup>th</sup> November, 2014.
  - iii) Results for the Quarter ended 31/12/2014 : On or before 14<sup>th</sup> February, 2015.
  - iv) Results for the Quarter ended 31/03/2015 : On or before 31<sup>st</sup> May, 2015.
- c) Book Closure Date : 5<sup>th</sup> August, 2014 to 12<sup>th</sup> August, 2014 (both days inclusive)
- d) Listing on Stock Exchange : Mumbai Stock Exchange.  
Listing Fee for the year 2014 - 15  
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 - 2013	18.50	15.40
May - 2013	23.80	17.40
June - 2013	20.50	17.20
July - 2013	20.80	18.00
August -2013	19.50	15.80
September -2013	18.45	15.80
October - 2013	19.30	17.05
November -2013	22.45	17.05
December - 2013	22.50	17.75
January - 2014	21.40	16.75
February - 2014	18.30	16.30
March - 2014	17.70	15.55



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 31/03/2014 :

Category	No. of Shares held	% of Shareholding
Promoters	28215571	65.29
Mutual Funds/ UTI / Fin. Institutions / Banks	63840	0.15
Bodies Corporate	1328613	3.07
Public Individuals	13609505	31.49
<b>Total</b>	<b>43217529</b>	<b>100.00</b>

h) Distribution on Shareholding as on 31/03/2014 :

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Upto 500	41012	93.88	4951054	11.46
501 - 1000	1468	3.36	1141554	2.64
1001 - 2000	583	1.33	869215	2.01
2001 - 3000	188	0.43	471089	1.09
3001 - 4000	120	0.27	432671	1.00
4001 - 5000	75	0.17	344187	0.80
5001 - 10000	103	0.24	741137	1.71
10001 & above	139	0.32	34266622	79.29
<b>Total</b>	<b>43688</b>	<b>100.00</b>	<b>43217529</b>	<b>100.00</b>

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 2014, 82.68% 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-mai : 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.

l) 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 26/05/2014.

**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, 2014, 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  
26-05-2014

R. SURESH MOHAN  
Partner

## MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATION

The company is in the business of manufacturing of Heat Resistant Latex Rubber Thread (HRLRT) and has achieved a gross turnover of Rs.13,238.80 Lacs during the year under review. The operational profits have improved in absolute terms while there has been pressure on maintaining the margins due to the pricing issues in the raw material and market chains.

### A) INDUSTRY STRUCTURE AND DEVELOPMENT :

The demand for HRLRT comes majorly for making elastics while there are minor segments of demand like toys, sports, airline tags, entertainment, furniture, healthcare etc. The garment industry chain has remained as the largest customer segment for rubber threads for many decades. Elastic tapes mainly used in the undergarment sector are made by covering the rubber threads with yarns. 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.

#### Market Scenario:

Rubber thread industry has grown over the past many decades in line with the growth in personal incomes. The per capita consumption of undergarments in country remains at very low levels and is poised to grow in the coming years. Inner wears, where rubber threads are used in large volume, is seen as one of the fastest growing market segments in India now. 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. 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.

While the rubber industry has grown over the years, the industry is also facing grave challenges due to the large volume of rubber threads coming into the country from countries like Thailand and Malaysia. The wide difference in the prices of latex in these markets and India is impacting the Indian industry in a negative manner.

Rubfila has an established presence in the international market with customers in many countries. The brand name of 'RUBFIL' has been successful in creating a place in the minds of the customers. With the new capacity additions, the company is in a position to cater to more customers in the international markets. The company believes in tapping the domestic and the international markets with the expanded capacity. Results are already seen from the international market with orders coming in from new customers.

### B) OPPORTUNITIES AND THREATS :

Strengths of the Company are:

1. Largest manufacturer and pioneer in the domestic market
2. Strong brand image built upon last 20 years in the domestic and international market.
3. Products Certified with Oeko-Tex Standard, a gold standard for products in the textile chain.
4. Prompt supplies and good customer relationship

The major threats being faced by the Company are :-

1. Cheaper imports of finished goods
2. Higher import duties for raw material
3. Liquidity constraints in the domestic markets.

### C) OUTLOOK :

Company has expanded over the past many years and strives to grow further in the coming years also by expanding into more markets in India as well as abroad. The company is hopeful of a positive business outlook in the coming years also.

### 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 continues to be satisfactory. The existing wage settlement entered into between the Management and the Trade Unions has expired and the management is discussing with the unions for revising the wage agreement.

### 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 31<sup>st</sup> March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year 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 cash flows 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 31<sup>st</sup> March 2014:
- 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 31<sup>st</sup> March 2014, taken on record by the Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March 2014 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 : 26-05-2014

## 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, within 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 2014 , 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. 6.86
	-do-	2003-04	Rs. 167.16	Rs. 0.77
	-do-	2004-05	Rs. 173.31	Rs. 0.44
CST	-do-	2002-03	Rs. 125.75	Rs. 73.14
	-do-	2003-04	Rs. 145.61	Rs. 41.82
	-do-	2004-05	Rs. 108.30	Rs. 32.78

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 : 26-05-2014

## Balance Sheet as at 31 March, 2014

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
		in ₹ Lakhs	in ₹ Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	2,160.88	2,160.88
Reserves & Surplus	3	3,571.45	2,945.98
		5,732.32	5,106.85
<b>Non-current liabilities</b>			
Long-term provisions	4	163.86	162.40
Deferred Tax Liability (Net)	33	249.38	-
		413.23	162.40
<b>Current liabilities</b>			
Trade Payables	5	370.26	476.00
Other Current Liabilities	6	118.46	82.05
Short term provisions	7	649.12	373.37
		1,137.84	931.42
<b>TOTAL</b>		<b>7,283.39</b>	<b>6,200.67</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
i) Tangible Assets	8	2,789.08	1,632.46
ii) Intangible Assets	8	0.54	2.21
iii) Capital Work in Progress	8	-	847.69
		2,789.62	2,482.35
Long-term loans and advances	9	21.10	25.42
Deferred Tax Asset (Net)	33	-	2.31
		2,810.72	2,510.08
Inventories	10	375.39	310.46
Trade Receivables	11	1,760.42	1,397.56
Cash and Cash Equivalents	12	477.69	204.36
Short term Loans and advances	13	1,663.49	1,764.00
Other Current Assets	14	195.69	14.20
		4,472.67	3,690.58
<b>TOTAL</b>		<b>7,283.39</b>	<b>6,200.67</b>
<b>Significant Accounting Policies &amp; Notes forming part of the financial statements</b>	1-35		

As per our reports attached.

**For Mohan & Mohan Associates**  
Chartered Accountants

**R. Suresh Mohan**  
Partner

Membership No : 13398  
Firm No : 020925

Place : Thiruvananthapuram

Date : 26th May, 2014

**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 : Palakkad

Date : 26th May, 2014

## Statement of Profit and Loss for the year ended 31 March, 2014

Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		in ₹ Lakhs	in ₹ Lakhs
Revenue from operations (gross)	15	13,238.80	10,595.90
Less: Excise duty		695.73	571.96
Revenue from operations (net)		12,543.07	10,023.95
Other income	16	128.96	149.26
<b>Total revenue</b>		<b>12,672.02</b>	<b>10,173.21</b>
<b>Expenses</b>			
(a) Cost of materials consumed	17	9,464.22	7,196.82
(b) Purchases of stock-in-trade	18	-	1.21
(c) Changes in inventories of finished goods.	19	(13.77)	(19.95)
(d) Employee benefits expense	20	466.82	451.16
(e) Finance costs	21	(3.31)	6.15
(f) Depreciation and amortisation expense	8	307.49	279.73
(g) Other expenses	22	1,053.31	909.53
<b>Total expenses</b>		<b>11,274.76</b>	<b>8,824.66</b>
<b>Profit before tax</b>		<b>1,397.26</b>	<b>1,348.55</b>
<b>Tax expense -</b>			
(a) Current tax expense for current year		290.00	277.27
(b) (Less): MAT credit		73.27	256.38
		216.73	20.89
(e) Deferred tax	33	251.69	(2.31)
		<b>468.42</b>	<b>18.58</b>
<b>Profit after Tax</b>		<b>928.85</b>	<b>1,329.97</b>
<b>Earnings per share (of ₹ 5/- each):</b>			
Basic & Diluted	32	2.15	3.08
<b>Earnings per share (after extraordinary items) (of ₹ 5/- each):</b>			
Basic & Diluted	32	2.15	3.08

As per our reports attached.

**For Mohan & Mohan Associates**  
Chartered Accountants

**R. Suresh Mohan**  
Partner

Membership No : 13398

Firm No : 020925

Place : Thiruvananthapuram

Date : 26th May, 2014

**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 : Palakkad

Date : 26th May, 2014

## Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		1,397.26		1,348.55
<i>Adjustments for:</i>				
Depreciation and amortisation	307.49		279.73	
(Profit) / loss on sale / write off of assets	(1.70)		1.17	
Finance costs	(3.31)		6.15	
Interest income	(116.96)		(135.20)	
Net (gain) / loss on sale of investments	-		-	
Rental income from operating leases	(2.89)		(7.57)	
Liabilities / provisions no longer required written back	-		-	
Provision for doubtful trade and other receivables, loans and advances	-		39.98	
Provision for contingencies	-		-	
Other non-cash charges - Preliminary Expenses	-		-	
	182.63		184.26	
Operating profit / (loss) before working capital changes		1,579.89		1,532.81
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(64.93)		(27.73)	
Trade receivables	(362.86)		(307.58)	
Short-term loans and advances	406.10		(829.14)	
Long-term loans and advances	4.32		(2.07)	
Other current assets	(181.49)		238.41	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(105.74)		113.37	
Other current liabilities	36.41		11.56	
Short-term operating provisions	6.65		(21.26)	
Long-term provisions	1.46		4.91	
	(260.09)		(819.53)	
		1,319.80		713.29
Cash flow from extraordinary items		-		(39.98)
Cash generated from operations		1,319.80		673.30
Net income tax (paid) / refunds		(253.20)		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>1,066.60</b>		<b>673.30</b>

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed Assets, including capital advances	(632.06)		(911.45)	
Proceeds from sale of fixed assets	19.00		0.86	
Interest received	116.96		135.20	
Rental income from operating leases	2.89		7.57	
Cash generated from Investments		(493.21)		(767.83)
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(493.21)</b>		<b>(767.83)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares			-	
Repayment of long-term borrowings			-	
Dividend paid on Equity shares	(259.31)			
Payment of Dividend Tax	(44.07)			
Finance cost	3.31		(6.15)	
Net income tax (paid) / refunds		(300.06)		(6.15)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(300.06)</b>		<b>(6.15)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A + B + C)</b>		<b>273.32</b>		<b>(100.68)</b>
Cash and cash equivalents at the beginning of the year		204.36		305.04
<b>Cash and cash equivalents at the end of the year</b>		<b>477.69</b>		<b>204.36</b>

As per our reports attached.

**For Mohan & Mohan Associates**  
Chartered Accountants

**R. Suresh Mohan**

Partner

Membership No : 13398

Firm No : 020925

Place : Thiruvananthapuram

Date : 26th May, 2014

**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 : Palakkad

Date : 26th May, 2014



## SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS

### Corporate Information

Rubfila International Limited (RIL) is a Public Limited Company promoted by Rubpro Sdn. Bhd., Malaysia and Kerala State Industrial Development Corporation, with its plant located at New Industrial 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:

- (a) It is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is expected to be realized within twelve months after balance sheet date; or
- (d) 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:

- (a) It is expected to be settled in the entity's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is due to be settled within twelve months after balance sheet date; or
- (d) 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.

#### 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 and Export Incentive, which is recognized on receipt basis.

#### 1.10 Other Income

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

#### 1.11 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. Export benefits are accounted on receipt basis only.

##### Advance License

The Company had obtained 5 advance licenses for duty free import of Raw Materials. Company has met export obligation in full for \$403,169 against License No. 1402 dt. 16/08/2013. In respect of License No. 1475 dt. 22/08/2013 export obligation has been partially met to the extent of \$320,791 and the remaining obligation is \$203,637. Export obligation against License No. 6370 dt. 08/01/2014, No. 6996 dt. 19/02/2014 and No. 7276 dt. 11/03/2014 are still pending and has time up to June 2015, July 2015 and August 2015 respectively to fulfil the obligation. The Liability to the company as on 31/03/2014, being customs duty concession availed, on this account is Rs. 7,46,31,042 and applicable penalties. The documents for redemption are under process for License No. 1402 in respect of which export obligation has been met fully.

##### EPCG Scheme

The company availed benefit under EPCG Scheme and 3 Licenses were obtained with Nos. 2299 dt. 27/08/2012, 2377 dt. 18/01/2013 and 2501 dt. 23/08/2013 with a total export obligation of \$446,520. Export obligation against License No. 2299 dt. 27/08/2013 and License No. 2377 dt. 18/01/2013 has been fully met by the company. The obligation against third License (No. 2501 dt. 23/08/2013) is pending and has time upto the year 2020 to meet the obligation. The liability to the company as on 31/03/2014, being customs duty saved, on this account is Rs. 1,01,20,650/- and applicable penalties.

#### 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 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 depreciation 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 31<sup>st</sup> March, 2014. 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, 2014		As at 31st March, 2013	
	No. of Shares	in ₹ Lakhs	No. of Shares	in ₹ Lakhs
<b>Authorised Capital</b>				
Equity Shares of ₹ 5 each with voting rights	70000000	3,500.00	70000000	3,500.00
<b>Issued, Subscribed and Paid up Capital</b>				
Equity Shares of ₹ 5 each with voting rights	43217529	2,160.88	43217529	2,160.88
<b>Total</b>	<b>43217529</b>	<b>2,160.88</b>	<b>43217529</b>	<b>2,160.88</b>

**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, 2014		As at 31st March, 2013	
	No. of Shares	in ₹ Lakhs	No. of Shares	in ₹ Lakhs
Shares outstanding at the beginning of the year	43217529	2,160.88	43217529	2,160.88
Add: Shares issued during the year	Nil	Nil	Nil	Nil
Less: Shares bought back during the year	Nil	Nil	Nil	Nil
<b>Shares outstanding at the end of the year</b>	<b>43217529</b>	<b>2,160.88</b>	<b>43217529</b>	<b>2,160.88</b>

**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, 2014, the amount of dividend per share recognised as distributions to equity shareholders is Re 0.60 (31st March, 2013 - Re. 0.60)
- 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, 2014		As at 31st March, 2013	
	No. of Shares held	% holding in that class of Shares	No. of Shares held	% holding in that class of Shares
<b>Equity Shares with voting rights</b>				
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, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
<b>General reserve</b>		
Opening balance	33.25	
Add: Transferred from surplus in Statement of Profit and Loss	23.22	33.25
Less: Utilised / transferred during the year		-
Closing balance	<b>56.47</b>	<b>33.25</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	2,912.73	1,919.38
Add: Profit / (Loss) for the Current Year	928.85	1,329.97
Less: Dividend proposed to be distributed to Equity shareholders	259.31	259.31
Corporate Dividend Tax	44.07	44.07
Transferred to General Reserve	23.22	33.25
Closing Balance	<b>3,514.98</b>	<b>2,912.73</b>
<b>Total</b>	<b>3,571.45</b>	<b>2,945.98</b>

**NOTE 4. LONG TERM PROVISIONS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Provision for Contingent Liabilities		
Sales Tax Liability	133.89	133.89
Financial Charges on disputed liabilities	26.43	26.02
	<u>160.32</u>	<u>159.91</u>
Other Provisions :		
Sales Tax Differential Payable	3.53	2.48
<b>Total</b>	<b>163.86</b>	<b>162.40</b>

**NOTE 5. TRADE PAYABLE**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Trade payables	370.26	476.00
<b>Total</b>	<b>370.26</b>	<b>476.00</b>

**NOTE 6. OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Statutory Dues Payable	15.47	22.58
Advances received from Customers	30.87	19.75
Provision for Expenses	42.23	38.71
Unpaid Dividend	28.28	-
Other Payables	1.62	1.02
<b>Total</b>	<b>118.46</b>	<b>82.05</b>

**NOTE 7. SHORT TERM PROVISIONS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
<b>Provisions for Employee Benefits</b>		
Provision for Bonus	15.64	14.45
Provision for Leave encashment	40.10	34.65
<b>Provision: Others</b>		
Provision for Taxation	290.00	20.89
Proposed Dividend	259.31	259.31
Provision for Tax on Proposed Dividend	44.07	44.07
<b>Total</b>	<b>649.12</b>	<b>373.37</b>

**NOTE 8 : FIXED ASSETS**

Particulars	Gross block			Accumulated depreciation				Net block	
	Balance as at 1 April, 2013	Additions	Disposals	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 March, 2014	Balance as at 31 March, 2013
	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	330.81	-	749.15	155.02	22.41	-	571.72	263.33
Plant & Equipment	4,967.43	1,144.51	172.71	5,939.23	3,778.00	277.81	155.41	2,038.82	1,189.43
Furniture & Fixtures	26.68	0.87	-	27.55	17.07	1.36	-	9.12	9.61
Vehicles	25.91	-	-	25.91	6.91	2.06	-	16.94	19.00
Office Equipment	14.87	0.96	-	15.83	3.88	0.73	-	11.22	10.99
Computer & Accessories	45.82	2.61	-	48.43	41.17	1.45	-	5.81	4.65
	5,634.50	1,479.75	172.71	6,941.55	4,002.05	305.82	155.41	2,789.08	1,632.46
<b>Intangible Assets</b>									
Computer Software	5.00	0.30	-	5.00	2.79	1.67	-	0.54	2.21
	5.00	0.30	-	5.00	2.79	1.67	-	0.54	2.21
<b>Total</b>	<b>5,639.50</b>	<b>63.76</b>	<b>172.71</b>	<b>6,946.55</b>	<b>4,004.84</b>	<b>307.49</b>	<b>155.41</b>	<b>4,156.93</b>	<b>1,634.66</b>
<b>Previous year</b>	<b>5,586.22</b>	<b>28.78</b>	<b>10.48</b>	<b>5,639.50</b>	<b>3,733.57</b>	<b>279.73</b>	<b>8.46</b>	<b>4,004.84</b>	<b>1,852.65</b>

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	in ₹ Lakhs		in ₹ Lakhs	
Capital work in progress for new line	-		847.69	
<b>Total</b>	-		<b>847.69</b>	



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

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
<b>Unsecured, Considered Good</b>		
Bank Guarantee	9.44	11.70
Security Deposits with various authorities	11.66	13.71
<b>Total</b>	<b>21.10</b>	<b>25.42</b>

**NOTE 10. INVENTORIES**

(At Lower of cost and net realisable value)

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
(a) Raw Materials	162.93	98.54
(b) Work in Progress	91.22	111.65
(c) Stores & Spares	39.26	32.05
(d) Finished Goods (other than those acquired for trading)	82.98	68.21
<b>Total</b>	<b>375.39</b>	<b>310.46</b>

**NOTE 11. TRADE RECEIVABLES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment.		
Unsecured, Considered Good	0.80	2.58
Doubtful	32.18	43.88
	32.98	46.46
Less: Provision for doubtful Trade receivables	32.18	43.88
	<b>0.80</b>	<b>2.58</b>
Other Trade Receivables		
Unsecured, Considered Good	1,759.62	1,394.97
Doubtful	-	8.81
	1,759.62	1,403.78
Less: Provision for doubtful Trade receivables	-	8.81
	<b>1,759.62</b>	<b>1,394.97</b>
<b>Total</b>	<b>1,760.42</b>	<b>1,397.56</b>

**NOTE 12. CASH & CASH EQUIVALENTS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
(a) Cash on hand	0.65	0.66
(b) Balances with Banks		
- In Current Accounts	441.51	180.97
- In Deposit Accounts	35.53	22.73
<b>Total</b>	<b>477.69</b>	<b>204.36</b>

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
<b>Loans and Advances to Employees</b>		
Unsecured, Considered Good	1.14	(0.18)
Prepaid Expense (Unsecured, considered good)	9.01	11.71
<b>Balances with Government Authorities</b>		
Unsecured, Considered Good		
CENVAT Credit Receivable	18.44	27.15
Service Tax Credit Receivable	2.03	2.44
VAT Credit Receivable (See note below)	585.36	499.72
Others	3.15	9.39
Advance Income Tax	584.35	278.77
<b>Inter Corporate Deposits</b>		
Secured, Considered Good*	460.00	935.00
<b>Total</b>	<b>1,663.49</b>	<b>1,764.00</b>

**Details of VAT Credit Receivable :-**

Period	As at 31st March, 2014	As at 31st March, 2013	Status
	in ₹ Lakhs	in ₹ Lakhs	
2005-06	12.00	12.00	Appellate order to be implemented CST Assessment completed. VAT Refund Received
2006-07	-	-	
2007-08	14.25	14.25	CST Assessment completed. Assessment Pending
2008-09	43.12	43.12	
2009-10	-	62.55	VAT Refund Received Assessment Pending
2010-11	106.63	106.63	
2011-12	104.49	104.49	Assessment Pending Assessment Pending
2012-13	156.68	156.68	
2013-14	148.19	-	
<b>Total</b>	<b>585.36</b>	<b>499.72</b>	

**NOTE 14. OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Interest Accrued on Deposits	-	0.91
Interest Accrued on Inter Corporate Deposits	13.41	-
Advance to Suppliers	182.28	13.29
<b>Total</b>	<b>195.69</b>	<b>14.20</b>

**NOTE 15. REVENUE FROM OPERATIONS**

Particulars	As at 31st March, 2014	As at 31st March, 2015
	in ₹ Lakhs	in ₹ Lakhs
(a) Sale of Products	13,132.80	10,533.43
(b) Other Operating Revenues	106.00	62.47
	<b>13,238.80</b>	<b>10,595.90</b>
(c) Less: Excise Duty	695.73	571.96
<b>Total</b>	<b>12,543.07</b>	<b>10,023.95</b>

Particulars	As at 31st March, 2014	
	in ₹ Lakhs	in ₹ Lakhs
Sale of Products comprises		
Manufactured Goods	13,132.80	10,532.53
Traded Goods	-	0.90
<b>Total</b>	<b>13,132.80</b>	<b>10,533.43</b>

**NOTE 16. OTHER INCOME**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Interest Income		
On deposits with banks and other balances	5.11	2.83
On Intercompany Deposits	116.96	135.20
Others	1.28	1.09
Rental Income from Operating Leases	2.89	7.57
Profit on sale of Fixed Assets	1.70	
Miscellaneous Income	1.01	2.57
<b>Total</b>	<b>128.96</b>	<b>149.26</b>

**NOTE 17. COST OF MATERIALS CONSUMED**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Opening Stock	199.46	200.19
Add: Purchases	9,508.42	7,196.09
	<u>9,707.88</u>	<u>7,396.28</u>
Less: Closing Stock	243.66	199.46
<b>Cost of Materials consumed</b>	<b>9,464.22</b>	<b>7,196.82</b>
Material consumed comprises:		
Latex / Chemicals / Packing Materials	9,464.22	7,196.82
<b>Total</b>	<b>9,464.22</b>	<b>7,196.82</b>

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
HRLRT	-	36.68
Less: Purchase returns	-	35.47
<b>Total</b>	<b>-</b>	<b>1.21</b>

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Finished Goods at the end of the year	81.98	68.21
Finished Goods at the beginning of the year	68.21	48.26
<b>Total</b>	<b>(13.77)</b>	<b>(19.95)</b>

**NOTE 20. EMPLOYEE BENEFIT EXPENSE**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Salaries & Wages	391.17	363.78
Contributions to Provident and Other funds	51.22	63.40
Staff Welfare Expense	24.43	23.98
<b>Total</b>	<b>466.82</b>	<b>451.16</b>

**NOTE 21. FINANCE COST**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
(a) Interest Expense on		
- Interest on delayed payment of tax	4.93	1.49
- Bank Charges & Commission	2.74	5.97
- Provision on Disputed Liabilities	8.81	6.34
(b) Net (gain) / loss on Foreign currency transactions and translations (considered as Finance Cost)	(19.79)	(7.65)
<b>Total</b>	<b>(3.31)</b>	<b>6.15</b>

**NOTE 22. OTHER EXPENSE**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Consumption of Stores & Spares	84.76	50.74
Power & Fuel	500.13	406.55
Effluent Treatment Expense	24.70	23.85
Rent including Lease Rentals	2.32	1.87
Repairs & Maintenance		
Building	-	20.26
Machinery	0.26	0.60
Others	50.95	44.59
Insurance	3.39	0.84
Rates & Taxes	15.31	17.94
Rubber Board Cess	71.04	64.42
Communication	6.26	6.47
Travelling & Conveyance	38.06	36.90
Printing & Stationery	4.76	4.55
Freight & Forwarding	150.02	87.33
Sales Commission	-	1.66
Sales Discount	25.42	24.54
Business Promotions	4.82	3.18
Donations & Contributions	0.52	0.35
Legal & Professional	32.03	31.19
Payment to Auditors	-	-
For Statutory audit	1.50	0.75
For Taxation Matters	0.25	0.25
For Company Law matters	0.10	0.10
For Management Services	0.60	0.60
Reimbursement of Expenses	0.92	0.85
Secretarial Expense	-	
AGM Expense	2.64	3.39
List up Fee	1.95	2.85
Share Transfer Charges	3.14	3.17

Particulars	As at 31st March, 2013	As at 31st March, 2012
	in ₹ Lakhs	in ₹ Lakhs
Directors Sitting Fee	5.20	2.85
Dividend Distribution Expense	7.11	-
Loss on Sale of Fixed Assets	-	1.17
Provision for Bad and Doubtful Debts	-	39.98
Less: Bad Debts provided in the Previous year recovered	(20.50)	(7.04)
Prior Period Items	(3.48)	1.20
Miscellaneous Expenses	39.12	31.58
<b>Total</b>	<b>1,053.31</b>	<b>909.53</b>

**NOTE 23. CONTINGENT LIABILITIES & COMMITMENTS**  
(to the extent not provided for)

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
(a) Claim against the Company not acknowledged as debt:		
- Duty Draw Back	-	-
- Sales Tax Liability (see note below)	959.70	968.51
(b) Guarantees		
- Bank Guarantee with PNB	9.44	11.70
<b>Total</b>	<b>969.14</b>	<b>980.21</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	₹ 6.86
-do-	-do-	2003-04	₹ 167.16	₹ 0.77
-do-	-do-	2004-05	₹ 173.31	₹ 0.44
CST	-do-	2002-03	₹ 125.76	₹ 73.14
-do-	-do-	2003-04	₹ 145.61	₹ 41.82
-do-	-do-	2004-05	₹ 108.30	₹ 32.78
		<b>TOTAL</b>	<b>₹ 1115.51</b>	<b>₹ 155.81</b>

The Company has provided ₹ 155.81 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 24. VALUE OF IMPORTS CALCULATED ON CIF BASIS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Raw Materials	1,169.02	0.83
Capital Purchase	70.38	67.55
Spare Parts	6.43	33.76
Finished Goods	-	20.65
<b>Total</b>	<b>1,245.83</b>	<b>122.79</b>

**NOTE 25. ACTIVITY IN FOREIGN CURRENCY**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
<b>Earnings in Foreign Exchange:</b>		
Export of goods calculated on FOB basis	1,138.12	702.25
<b>Expenditure in Foreign Currency:</b>		
Testing Charges	-	0.31
Sales Commission	0.62	1.04
Professional and Consultation Fee	4.63	-
Travelling Expenses	0.84	2.66
Other Matters	0.06	0.61
	<b>6.14</b>	<b>4.62</b>

**NOTE 26. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	%	in ₹ Lakhs	%	in ₹ Lakhs
<b>Imported</b>				
Raw Materials	12.09%	1,169.02	0.01%	0.83
Spare Parts	2.62%	6.43	19.55%	33.76
		<b>1,175.45</b>		<b>34.59</b>
<b>Indigenous</b>				
Raw Materials	87.91%	8,501.66	99.99%	7,335.03
Spare Parts	97.38%	239.16	80.45%	138.91
		<b>8,740.83</b>		<b>7,473.94</b>

**NOTE 27. DETAILS OF GOVERNMENT GRANTS (Disclosures under Accounting Standards)**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
Government Grants received by the company during the year towards Duty Draw Back. (Recognized under other Operating Revenues)	16.98	14.87
	<b>16.98</b>	<b>14.87</b>

**NOTE 28. 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 ₹ 29.47 (Year ended 31 March, 2013 ₹ 29.32) for Provident Fund contributions and ₹ 2.28 (Year ended 31 March, 2013 ₹ 2.08) 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, 2014 :**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
<b>1. Assumption</b>		
Discount Rate	8%	8%
Salary Escalation	7%	7%
<b>2. Table showing changes in the present value of Obligation</b>		
Present value of Obligation as at the beginning of the year	104.07	74.45
Interest Cost	8.33	5.96
Current Service Cost	7.29	4.17
Benefits paid	(0.60)	(2.49)
Acturial (gain) / Loss on obligation	10.73	21.98
Present value of Obligation as at the end of the year	129.81	104.07
<b>3. Table showing changes in Fair Value of Plan Assets</b>		
Fair Value of Plan assets at the beginning of the year	111.93	77.44
Expected return of Plan assets	10.45	7.98
Contributions	17.03	29.00
Benefits paid	(0.60)	(2.49)
Acturial (gain) / Loss on Plan assets	Nil	Nil
Fair Value of Plan assets at the end of the year	138.82	111.93
<b>4. Table showing fair value of Plan assets</b>		
Fair Value of Plan assets at the beginning of the year	111.93	77.44
Actual return on Plan assets	10.45	7.98
Contributions	17.03	29.00
Benefits paid	(0.60)	(2.49)
Fair Value of Plan assets at the end of the year	138.82	111.93
Funded Status	9.01	7.87
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
<b>5. Acturial (Gain) / Loss recognised</b>		
Acturial (gain) / loss on obligations	(10.73)	(21.98)
Acturial (gain) / Loss on Plan assets	Nil	Nil
Total Acturial (gain) / loss for the year	10.73	21.98
<b>6. The amounts to be recognised in the Balance Sheet and Statements of Profit / loss</b>		
Present value of Obligation at the end of the year	129.81	104.07
Fair Value of Plan assets at the end of the year	138.82	111.93
Funded Status	9.01	7.87
Net Asset / (Liability) recognised in the Balance Sheet	9.01	7.87
<b>7. Expenses recognised in the Statement of Profit &amp; Loss</b>		
Current Service Cost	7.29	4.17
Interest Cost	8.33	5.96
Expected Return on Plan assets	(10.45)	7.98
Net Acturial (gain) / Loss recognised in the year	10.73	21.98
Expenses recognised in the Statement of Profit & Loss	15.89	24.12

**NOTE 29. 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, 2014		As at 31st March, 2013	
	Assets	Revenues	Assets	Revenues
<b>Outside India</b>				
Asia	21.01	353.45	22.10	186.04
Europe	-	816.53	27.01	441.36
Africa	-	0.76	-	61.98
America	1.76	31.06	0.36	12.87
<b>Within India</b>	<b>1,737.65</b>	<b>11,930.99</b>	<b>1,348.08</b>	<b>9,831.18</b>

**NOTE 30. RELATED PARTY DISCLOSURE**
**Details of Related Parties for the year 2013-14**
**Directors**

Mr. Bharat Jayantilal Patel  
Mr. Bharat Jamnadas Dattani  
Mr. Hardik Patel  
Mr. Dhiren S Shah  
Mr. Patrick Davenport  
Mr. Tommy Thompson  
Mr. S.N. Rajan  
Mr. Samir K. Shan

**Key Management Personnel**

Mr. G. Krishna Kumar (Managing Director)

**Other Related Party**

M/s Aaryaa Advisory Services Pvt Limited

**Details of Related Party Transactions during the year ended 31st March, 2014:**

	Promoters / Associates	Key Management Personnel	Total
Directors Sitting Fee	5.20		5.20
	2.85		2.85
Technical Consultancy Services	10.43		10.43
	1.11		1.11
Remuneration	-	37.31	37.31
	-	32.29	32.29
Note :- Figures in Italics relates to Previous year			

**NOTE 31. LEASE**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	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	2.89	7.57

**NOTE 32. EARNING PER SHARE**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
<b>Earnings per Share of ₹ 5 each</b>		
Weighted Average No. of Equity Shares	43,217,529	43,217,529
Basic & Diluted		
Net Profit for the year (₹ lakhs)	928.85	1,329.97
Basic EPS (after extraordinary items) (₹)	<b>2.15</b>	<b>3.08</b>

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 33. DEFERRED TAX CALCULATION**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	in ₹ Lakhs	in ₹ Lakhs
<b>Deferred Tax Liability</b>		
Fixed Asset	326.79	303.21
<b>Total</b>	<b>326.79</b>	<b>303.21</b>
<b>Deferred Tax Asset</b>		
Leave Encashment Liability	13.01	11.24
Provision for Doubtful debts	10.44	17.09
Sales Tax Liability	1.95	1.61
Provision for Contingent Liability	52.02	51.88
Unabsorbed Depreciation c/f	-	223.69
<b>Total</b>	<b>77.42</b>	<b>305.52</b>
<b>Net deferred tax (liability) / asset</b>	<b>(249.38)</b>	<b>2.31</b>

**NOTE 34. 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 1st April, 2013	Additions	Reversal	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs
Sales Tax	<b>133.89</b> <i>133.89</i>	- -	- -	<b>133.89</b> <i>133.89</i>
Financial Charges on Disputed Liabilities	<b>26.02</b> <i>21.68</i>	<b>8.81</b> <i>6.34</i>	<b>8.40</b> <i>2.00</i>	<b>26.43</b> <i>26.02</i>
<b>Total</b>	<b>159.91</b> <i>155.57</i>	<b>8.81</b> <i>6.34</i>	<b>8.40</b> <i>2.00</i>	<b>160.32</b> <i>159.91</i>
Note :- Figures in Italics relates to Previous year				

**NOTE 35. PRIOR PERIOD COMPARATIVES**

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

## 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 21<sup>st</sup> Annual General Meeting of the Company to be held on 12<sup>th</sup> August, 2014 at 11.00 a.m. at S.K.M. Auditorium, 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**

NIDA Menonpara Road, Kanjikode P.O.  
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, 2014
3. Type of audit observation : Un-qualified.
4. Frequency of observation : Not Applicable
5. To be signed by :

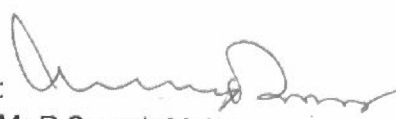
a) CEO / Managing Director

  
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