

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, 2015
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



**RUBFILA**  
**International Limited**

**22<sup>nd</sup> ANNUAL REPORT**  
**2014-15**



# 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 SECOND ANNUAL REPORT 2014 – 15 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

**S N RAJAN**

Director

**R CHITRA**

Director

**G KRISHNA KUMAR**

Managing Director

**N N PARAMESWARAN**

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

Chartered Accountants

A-21, Jawahar Nagar,

Trivandrum – 695 041

New Industrial Development Area,

Kanjikode, Palakkad, Kerala – 678 621

**COMPANY SECRETARY &  
CHIEF FINANCE OFFICER**

**AUDITORS**

**REGISTERED OFFICE & FACTORY**

## NOTICE OF 22<sup>ND</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of Rubfila International Ltd (CIN: L25199KL1993PLC007018) will be held at SKM Auditorium, Kanjikode, Palakkad on Saturday, the 26th Day of September, 2015 at 11.00 A.M . to transact the following business:-

### ORDINARY BUSINESS :

01. To receive, consider and adopt audited Statement of Profit and Loss for the year 2014-15, Balance Sheet as at that date, the Directors' Report for the year ended 31<sup>st</sup> March 2015, and the Report of the Independent Auditors thereon.
02. To consider declaration of dividend for the year.
03. To appoint a Director in place of Mr.Dhiren S. Shah (holding DIN 01149436), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.
04. To appoint a Director in place of Mr.Hardik B. Patel (holding DIN 00590663), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.
05. To appoint Auditors who shall hold office for the financial year 2015-16 from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s. Mohan & Mohan Associates, Chartered Accountants are eligible for re-appointment and have given a written certificate as per Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

### SPECIAL BUSINESS :

06. To ratify the appointment of Cost Auditors for the year 2014-15 by passing the following resolution as an Ordinary Resolution:  

"Resolved that the appointment of M/s. Ajith Sivasdas & Co, Cost Accountants, as Cost Auditors to audit the cost records maintained by the Company in respect of Heat Resistant Latex RubberThread (HRLRT) for the Financial Year 2014-15 on a remuneration of Rs. 50,000/- (Rupees Fifty thousand only) plus Service Tax as applicable, be and is hereby ratified."

07. To consider the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Section 149,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr.Samir K. Shah (DIN 01714717) (already an Independent Director as per previous listing agreement and appointed as a Director retires by rotation), who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director, pursuant to Section 160 be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from 13<sup>th</sup> February, 2015 upto 12<sup>th</sup> February, 2020 not liable to retire by rotation.

08. To consider the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Section 149,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Patrick M Davenport (DIN 00962475 ) (already an Independent Director as per previous listing agreement and appointed as a Director retires by rotation), who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director, pursuant to Section 160 be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from 13<sup>th</sup> February, 2015 upto 12<sup>th</sup> February, 2020 not liable to retire by rotation.

09. To consider the following resolution as an Ordinary Resolution :



“RESOLVED that pursuant to the provisions of Section 149,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. S.N. Rajan (DIN 00105864) (already an Independent Director as per previous listing agreement and appointed as an Additional Director), who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director, pursuant to Section 160 be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from 13<sup>th</sup> February, 2015 upto 12<sup>th</sup> February, 2020 not liable to retire by rotation.

10. To consider the following resolution as an Ordinary Resolution :

“RESOLVED that pursuant to the provisions of Section 149,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Ms.R.Chitra (DIN 01560585) (already an Independent Director as per previous listing agreement and appointed as an Additional Director), who has submitted a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director, pursuant to Section 160 be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from 13<sup>th</sup> February, 2015 upto 12<sup>th</sup> February, 2020 not liable to retire by rotation.

**Notes:-**

- 1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy/Proxies to attend and vote on a poll instead of himself/herself and such a proxy/proxies need not be a member of the Company.**

A person can act as proxy on behalf of Members not exceeding fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the

Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority as applicable.

- 2) An Explanatory Statement on the business to be transacted at the meeting is annexed hereto.
- 3) The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48hours before the commencement of the meeting.
- 4) Members /proxies should bring the attendance slips duly filled in and PHOTO ID Proof for attending the meeting.
- 5) 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 21st September, 2015.
- 6) The Share Transfer Books and the Register of Members shall remain closed from 22nd September, 2015 to 26th September, 2015 both days inclusive.
- 7) The Board of Directors have recommended a dividend @15% (Re. 0.75 per Equity Share of Rs.5/- Fully paid-up) of the paid up capital for the year. If declared at the Annual General Meeting, the same will be paid to the share holders, whose names are on the Register of Members as on the date of Annual General Meeting viz., 26th September, 2015.
- 8) Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be.
- 9) The duly filled in Attendance Slip must be surrendered at the counter before attending the Meeting.
- 10) Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.
- 11) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities

market. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents.

- 12) All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
- 13) Pursuant to Clause 47(f) of the Listing Agreement entered into with the Stock Exchanges, the company has created an exclusive E-mail. Id : [investorgrievance@rubfila.com](mailto:investorgrievance@rubfila.com) for quick redressal of shareholders/investors grievances
- 14) In view of the circular issued by SEBI, the Electronic clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide bank account details to the Company and its Registrar and Share Transfer Agents. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Any changes in such bank mandate must be advised only to the Depository Participant of the Members.
- 15) In terms of the Circulars No. 17/2011 of 21st April, 2011 and 18/2011 of 29th April, 2011 issued by the Ministry of Corporate Affairs(MCA) as part of its "green initiative in Corporate Governance", MCA allows paperless compliances including service of a notice/document by companies to their Members through electronic mode. Therefore as was done last year, the Company proposes to send documents required to be sent to Members like Notices of General Meetings (including AGM), Audited Financial Statements, Report of the Directors, Independent Auditor's Report etc to the Members in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website [www.rubfila.com](http://www.rubfila.com) for download by the Members. The physical copies of the Annual Report will be made available upon receipt of a requisition from the members, any time as a Member of the Company.
- 16) Voting through Electronic means:

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015 , the Company is pleased to provide Members with a facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through Electronic Voting (e-Voting) Services. The facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. Members whose shareholding is in the Dematerialization form and whose e-mail address are registered with the Company / Depository Participants will receive an email from NSDL informing your ID and password:
  1. Open e-mail and open PDF file viz., Rubfila 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.
  2. Launch internet browser by typing the following: URL: <https://www.e.voting.nsdl.com/>
  3. Click on Shareholder – Login
  4. Put user ID and password as initial password/ PIN noted in step (1) above. Click Login.
  5. Password change menu appears. Change the Password/PIN with new password of your choice with minimum 8 digits / 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.
  6. Home page of e-voting opens. Click on e-Voting Active Voting Cycles.
  7. Select "EVEN" of Rubfila International Limited. Members can cast their vote online from 23rd September, 2015 (9.00 A.M) till 25th September, 2015(5.00 P.M). e-voting will not be allowed beyond the said time.
  8. Now you are ready for e-voting as cast vote page opens.



9. Cast your vote by selecting appropriate option and click on "submit" and also "confirm" when prompted.
  10. Upon confirmation, the message "vote cast successfully" will be displayed.
  11. Once you have voted on the resolution, you will not be allowed to modify your vote.
  12. Institutional members (i.e other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) 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 Scrutinizer through e-mail to [sivarkn@svjs.in](mailto:sivarkn@svjs.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  13. A facility for voting through Poling Paper is made available at the Annual General Meeting venue and the members attending the meeting who have not cast their vote by remote e-voting can exercise their right during the meeting on 26th September, 2015 between 11 am & till the conclusion of the meeting.
- B. For Members whose shareholding is in the Dematerialization form and whose E-mail IDs are not registered with the Company / Depository Participants, Members holding shares in Physical form as well as those members who have requested for a physical copy of the Notice and Annual Report, the following instruction may be noted:
1. 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
  2. Please follow all steps from instruction 1 to12 of A above to cast vote.
  - II. In case of any queries, you may refer the Frequently Asked Question (FAQs) for member and e-voting
  - III. Login to the E-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "forgot Password" option available on the site for reset the password.
  - IV. 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.
  - V. 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)
- VI. The e-voting period commences on 23rd September, 2015 (9.00 A.M) and ends on 25th September, 2015 (5.00 P.M). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 21st September 2015 may cast their vote electronically. The members who have acquired shares consequent to record date may contact the Company Secretary of Rubfila International Ltd at the email address [rubfila@vsnl.com](mailto:rubfila@vsnl.com) for issue of separate e voting facility. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the members, the member shall not be allowed to change it subsequently.
  - VII. The voting rights of Members shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21st September, 2015.
  - VIII. Mr. Sreekumar P.S., Partner, M/s. SVJS & Associates, 39/3519 B 1st floor, Padmam Apartments, Ravipuram, Kochi Ernakulam Kerala India 682 016 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - IX. 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) witnesses 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.
  - X. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rubfila.com/investors](http://www.rubfila.com/investors) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
  17. 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 (9.00 a.m to 5.00 p.m) on all working days except Sundays, upto and including the date of the Annual General Meeting of the Company.

**STATEMENT AS PER SECTION 102 OF COMPANIES ACT 2013****Item No. 6 of Notice of Annual General Meeting:**

A proposal for appointment of Cost Auditor for 2014-15 was recommended by the Audit Committee to the Board. It was proposed to appoint M/s. Ajith Sivasdas & Co, Cost Accountants, as Cost Auditors. Certificate dated 20-02-2015 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 A.M to 1.00 P.M and shall also available at the meeting. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

**Item No.7 of the Notice of Annual General Meeting:**

The Board of Directors of the Company ('the Board') at the meeting held on 13<sup>th</sup> February, 2015 on the recommendation of the Nomination & Compensation Committee, recommended for the approval of the Members, the appointment of Mr. Samir K. Shah as an Independent Director of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013('the Act') and any amendments thereto or modification thereof, as set out in the Resolutions to the appointment.

Mr. Samir K. Shah is presently on the Board as Independent Directors, but was not specifically appointed under Section 149 of the Act. General Circular 14/2014 dated 9th June, 2014 of the Ministry of Corporate Affairs read with SEBI guidelines to Listed Stock Exchanges now requires that the appointment of Independent Directors to be made expressly under the provisions of Section 149 of the Act. The requisite declaration under Section 149 (6) have been obtained from the director. In the opinion of the Board, Mr. Samir K. Shah fulfils the conditions specified in the Act and rules made hereunder and that he is independent of the management.

Mr. Samir K. Shah as Independent Director is eligible for sitting fees of Rs.20000/- per Board Meeting and Rs.5000/- each for Audit Committee and for other committee meetings as may be constituted from time to time.

Copy of the letter for appointment of Mr. Samir K. Shah as

Independent Directors setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

Brief resume of of Mr. Samir K. Shah and additional information pursuant to Clause 49 of the Listing Agreement with Stock exchanges is provided below:

**Item No.8 of the Notice of Annual General Meeting:**

The Board of Directors of the Company ('the Board') at the meeting held on 13<sup>th</sup> February, 2015 on the recommendation of the Nomination & Compensation Committee, recommended for the approval of the Members, the appointment of Mr. Patrick M Davenport as an Independent Director of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013('the Act') and any amendments thereto or modification thereof, as set out in the Resolutions to the appointment.

Mr. Patrick M Davenport is presently on the Board as Independent Directors, but was not specifically appointed under Section 149 of the Act. General Circular 14/2014 dated 9th June, 2014 of the Ministry of Corporate Affairs read with SEBI guidelines to Listed Stock Exchanges now requires that the appointment of Independent Directors to be made expressly under the provisions of Section 149 of the Act. The requisite declaration under Section 149 (6) have been obtained from the director. In the opinion of the Board, Mr. Patrick M Davenport fulfils the conditions specified in the Act and rules made hereunder and that he is independent of the management.

Mr. Patrick M Davenport as Independent Director is eligible for sitting fees of Rs.20000/- per Board Meeting and Rs.5000/- each for Audit Committee and for other committee meetings as may be constituted from time to time.

Copy of the letter for appointment of Mr. Patrick M Davenport as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

Brief resume of of Mr. Patrick M Davenport and additional information pursuant to Clause 49 of the Listing Agreement with Stock exchanges is provided below:

**Item No.9 of the Notice of Annual General Meeting:**

The Board of Directors of the Company ('the Board') at the meeting held on 13<sup>th</sup> February, 2015 on the recommendation of the Nomination & Compensation Committee, recommended for the approval of the Members, the appointment of Mr.S.N.Rajan as an Independent Director of the Company in terms of Section



149 read with Schedule IV of the Companies Act, 2013('the Act') and any amendments thereto or modification thereof, as set out in the Resolutions to the appointment.

Mr.S.N. Rajan is presently on the Board as Independent Directors, but was not specifically appointed under Section 149 of the Act. General Circular 14/2014 dated 9th June, 2014 of the Ministry of Corporate Affairs read with SEBI guidelines to Listed Stock Exchanges now requires that the appointment of Independent Directors to be made expressly under the provisions of Section 149 of the Act. The requisite declaration under Section 149 (6) have been obtained from the director. In the opinion of the Board, Mr.S.N.Rajan fulfils the conditions specified in the Act and rules made hereunder and that he is independent of the management.

Mr.S.N.Rajan as Independent Director is eligible for sitting fees of Rs.20000/- per Board Meeting and Rs.5000/- each for Audit Committee and for other committee meetings as may be constituted from time to time.

Copy of the letter for appointment of Mr.S.N.Rajan as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

Brief resume of Mr. S.N.Rajan and additional information pursuant to Clause 49 of the Listing Agreement with Stock exchanges is provided below:

**Item No.10 of the Notice of Annual General Meeting:**

The Board of Directors of the Company ('the Board') at the meeting held on 13<sup>th</sup> February, 2015 on the recommendation of the Nomination & Compensation Committee, recommended for the approval of the Members, the appointment of Ms.R.Chitra as an Independent Director of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013('the Act') and any amendments thereto or modification thereof, as set out in the Resolutions to the appointment.

The appointment of Ms.R.Chitra as Independent Director meets with the requirements of Section 149 of the Act and General Circular 14/2014 dated 9th June, 2014 of the Ministry of Corporate Affairs read with SEBI guidelines to Listed Stock Exchanges. The requisite declaration under Section 149 (6) have been obtained from the director. In the opinion of the Board, Ms.R.Chitra fulfils the conditions specified in the Act and rules made hereunder and that he is independent of the management.

Ms.R. Chitra as Independent Director is eligible for sitting fees of Rs.20000/- per Board Meeting and Rs.5000/- each

for Audit Committee and for other committee meetings as may be constituted from time to time.

Copy of the letter for appointment of Ms.R. Chitra as Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

Brief resume of Ms.R. Chitra and additional information pursuant to Clause 49 of the Listing Agreement with Stock exchanges is provided below:

**Mr. Samir K. Shah :**

Mr.Samir K. Shah (42 years) DIN 01714717 is an Independent Director as per Clause 49 of listing agreement. He is a member of Audit Committee of the Company. He is not associated with any other company or group as a Director. He does not hold any shares in the company. No other person holds any share in the Company for him on a beneficial basis.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr.Samir K Shah for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013

No Director, key managerial personnel or their relatives, except Mr.Samir K. Shah to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item 6 for the approval of the Members.

**Mr. Patrick M Davenport :**

Mr.Patrick M Davenport ( 51 years) DIN 00962475 is an Independent Director as per Clause 49 of listing agreement. He is a member of Audit Committee of the Company. He is not associated with any other company or group as a Director. He do not hold any shares in the company. No other person holds any share in the Company for him on a beneficial basis.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr.Patrick M Davenport for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013

No Director, key managerial personnel or their relatives, except Mr.Patrick M Davenport to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item 6 for the approval of the Members.

**Mr.S.N.Rajan :**

Mr.S.N.Rajan ( 48 years) DIN 00105864 is an Independent Director as per Clause 49 of listing agreement. He is not associated with any other company or group as a Director. He hold 14066 Nos of shares in the company. No other person holds any share in the Company for him on a beneficial basis.

Being an Additional Director Mr.S.N.Rajan holds office till the conclusion of this Annual General Meeting. Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr.S.N.Rajan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

No Director, key managerial personnel or their relatives, except Mr.S.N.Rajan to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item 6 for the approval of the Members.

**Ms.R.Chitra :**

Ms. R.Chitra (48 years) DIN 01560585 is an Independent

Director as per Clause 49 of listing agreement. . She is not associated with any other company or group as a Director. She does not hold any shares in the company. No other person holds any share in the Company for her on a beneficial basis.

Being an Additional Director Ms. R.Chitra holds office till the conclusion of this Annual General Meeting. Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Ms. R.Chitra for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

No Director, key managerial personnel or their relatives, except Ms. R.Chitra to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item 6 for the approval of the Members.

Kanjikode  
07/08/2015

By Order of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**  
**N.N. Parameswaran**  
CFO & Company Secretary

**Explanatory Statement as per Clause 49 of the Listing Agreement :**

Name of the Director	Mr.Dhiren S. Shah	Hardik B. Patel	Mr.Patrick M. Davenport	Mr.Samir K. Shah	Mr.S.N.Rajan	Ms.R.Chitra
DIN No.	01149436	00590663	00962475	01714717	00105864	01560585
Date of Birth	29-04-1956	10-01-1982	17-03-1966	18-07-1973	25-10-1963	06-03-1967
Type of appointment	Director retiring by rotation	Director retiring by rotation	Independent Director	Independent Director	Independent Director	Woman Director (Independent)
Date of Appointment/ Reappointment	28-09-2012	28-09-2012	28-09-2012	12-08-2014	12-08-2014	13-02-2015
Areas of Specialization	Finance, Management	Finance, Management	Management	Finance	Finance	Management, Social Work
Qualifications	M.Com; LLB, FCA, CMA	MBA	BA	B.Com	FCA	MA
No. of Shares Held in the Company	1474755	Nil	Nil	Nil	14066	Nil
List of Directorship held in outside Public Limited Companies	Tee Ventures (India) Ltd	Nil	Nil	Nil	Nil	Nil
Chairman/member of the Committee of the Board of Directors of this Company	Member Audit Committee / Member Shareholders relationship committee	Nil	Chairman Audit Committee / Nomination & Remuneration Committee / Shareholders relationship committee	Member Audit Committee / Nomination & Remuneration Committee / Shareholders relationship committee	Member Nomination & Remuneration Committee	Nil
Relation with Key Managerial Personnel and Directors	Nil	Nil	Nil	Nil	Nil	Nil
Justification for appointment	Expertise in Finance / Management	Expertise in Finance / Management	Expertise in Management and Independent Director	Finance Knowledge and Independent Director	Expertise in Finance and Independent Director	Statutory Requirement as per Companies Act, 2013



**FOR THE ATTENTION OF THE MEMBERS:**

1. Members are requested to send intimations of any changes in their addresses, applications for demat of shares, applications for transfer of shares and any related correspondence to the Company's share transfer agents M/s Integrated Enterprises (India) Ltd, 2<sup>nd</sup> Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017. Ph: 044-28140801 – 3 Email: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

**2. Sending notices and documents to shareholders through email:**

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

**3. Making payment of dividend through NECS / NEFT:**

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

**4. Payment of unpaid dividends of previous years.**

The company has so far declared dividends and issued warrants to the shareholders as below:

Year	% of share paidup value
2012 - 13	12
2013 - 14	12

Those shareholders who have not encashed their warrants so far are requested to send their claims for payment to the Company. Please note that as per Section 124 ( 6) of the new Companies Act, 2013 the shares held on the unpaid dividend has also to be transferred to demat account maintained under Investor Education and Protection Fund account.

Necessary formats for item 2, 3 & 4 above are available on the website of the Company - [www.rubfila.com/investors](http://www.rubfila.com/investors).

Kanjikode  
07/08/2015

By Order of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

**N.N. Parameswaran**  
CFO & Company Secretary



## DIRECTORS' REPORT

### TO THE MEMBERS OF RUBFILA INTERNATIONAL LIMITED

The Directors have pleasure to present their 22nd Annual Report and the audited Annual Accounts for the year ended 31st March 2015.

#### Financial Results

	Year ended 31 <sup>st</sup> March, 2015 (Rs in lakhs)	Year ended 31 <sup>st</sup> March, 2014 (Rs in lakhs)
Total Income	16905.93	13132.80
Profit before Depreciation	2274.42	1704.76
Profit before Tax	2001.82	1397.27
Profit after tax	1358.87	928.85
EPS (face value Rs. 5)	Rs. 3.14	Rs. 2.15

#### Performance Review

Your company has continued to grow this year also and has achieved an all time high performance in its history as far as turnover and profits are concerned. . The gross revenues touched Rs.16905.93 Lacs, 28.73 % more than last year whereas profit before depreciation and taxes touched Rs.2274.61 Lacs , 33.70 % higher compared to previous year. The earnings per equity share (face value Re. 5) for the year increased to Rs. 3.05 from Rs.2.14 in the previous year. It is to be noted that the company had achieved better performance for the year irrespective of the challenges which existed in the market. The company has been following prudent financial management and has operated this year also with no debt support from any institutions.

#### Dividend

Your Directors have recommended a dividend of 15% (Re.0.75 per Share of face value Rs. 5/-) for the year, (as against 12% for the previous year ended 31st March, 2014), subject to the approval of the shareholders at the ensuing Annual General Meeting. This will result in total payout for the year 2014-15 (including Dividend Distribution Tax) of Rs. 390.13 Lacs. (Rs. 303.38 Lacs in 2013-14). An amount of Rs. 68.00 Lacs has been transferred to General Reserve as per the provisions of Companies Act, 2013.

#### Capital Expenditure

As on 31st March 2015, the gross fixed assets of the company stand at Rs.7270.04 Lacs and net fixed assets Rs 2874.37 Lacs. Capital additions during the year amounted to Rs.360.23 Lacs, which include addition to Building for Rs.123.44 Lacs, Plant & Machinery and other assets amounting to Rs.236.79 Lacs.

#### Future Prospects

The rubber thread industry witnessed highly volatile situations in the past year due to a variety of factors like over capacity in the Indian and international market, latex price fluctuations etc. The challenges continue to remain in the medium term in view of the highly volatile latex prices in India compared to very low prices existing in Malaysia and Thailand. The steps taken by the government to safeguard the interests of rubber growers has aggravated the situation with the Indian latex prices reaching almost the double that of international prices. This has led to large volume of imports of threads into the country putting pressure on the pricing. Rubfila continues to enjoy a dominant position in the Indian market even as its presence in the international market is also growing.

The installed production capacity of the Company has grown from 6350 MT to 11500 MT per annum by 2014. In addition to this, the company has also entered into exclusive manufacturing arrangement with M/s. Abhisar Buildwell P Ltd., the second largest manufacturer of Rubber threads in India and thus has got a total capacity of 15500 MT per annum at its disposal.

The year 2015-16 will be the first year when all the above mentioned capacity would be available on a full year basis and the company expects to achieve a better turnover this year.

#### Directors' Responsibility Statement

##### The Directors report that

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

- 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 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.
  - v. The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
  - vi. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- (c) who have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;
  - (d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company or their Promoters, or Directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - (e) Who, Neither himself nor any of his relatives -
    - i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed;
    - ii) is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
      - (A) a firm of auditors or company secretaries in practice or cost auditors or the company or its holding, subsidiary or associate company; or
      - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
    - (iii) holds together with his relative two per cent, or more of the total voting power of the company; or
    - (iv) is a Chief Executive or Director, by whatever name called, of any non profit organization that receives twenty-five percent or more of its receipts from the company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
    - (f) who possesses such other qualification as may be prescribed.

#### **Listing on Stock Exchanges**

Your Company's shares are listed on the Bombay stock exchange. During the year under review, your company's share price had touched Rs.52.80 per equity share. The Share price quoted at BSE at the closing on 31.03.2015 which was Rs.38.40 against the closing price of Rs. 17.40 on 31.03.2014.

#### **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.

#### **Declaration on Independent Directors**

The Independent Directors Mr.Samir K. Shah (DIN 01714717), Mr.S.N.Rajan (DIN 00105864), Mr. Patrick M Davenport (DIN 00962475) and Ms.R.Chitra (DIN 01560585):

- (a) in the opinion of the Board, are persons of integrity and possess relevant expertise and experience;
- (b) (i) who were not promoters of the company or its holding, subsidiary or associate company
- (ii) who are not related to Promoters or Directors in the company, its holding, subsidiary or associate Company;

#### **Particulars of Loans, guarantees or investments**

Your company has not directly or indirectly

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,



- b) given any guarantee or provide security in connection with a loan to any other body corporate or person and
- c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate
- d) exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

#### **Deposits**

Your company has not accepted any deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (acceptance of Deposit) Rules, 2014 and no amount remain unpaid or unclaimed as at the end of the period under review.

#### **Related Party Transactions**

A detailed report on contracts and arrangements made during the year 2014-15, being arm's length transactions have been reported and annexed hereto in Form AOC 2.

#### **Conservation of Energy, technology absorption, foreign exchange earnings and outgo**

Information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure forming part of this report.

#### **Corporate Social Responsibility:**

Board of Directors, the Management and all of the employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

The CSR activities were overseen by a committee of Directors comprising of Mr. Bharat J. Dattani, Mr. S.N. Rajan and Mr. G Krishna Kumar on a regular basis.

During the year Company has spent Rs.21.02 Lacs towards CSR expenditures. The areas in which amounts spent are palliative care, infrastructure development for charitable societies, financial assistance to the needy in the society, contribution to the dialysis centre and other public health sector for treatment. A report on the Corporate Social Responsibility activities is annexed to this report.

#### **Directors**

The Board is comprised of Non-Executive Chairman, Managing Director (Executive), four Non-Executive Promoter Directors and four Non-executive Independent Directors. Detailed composition of the Board and its subcommittees are enumerated in the Corporate Governance Report forming part of this Annual Report. In

accordance with the Companies Act, 2013, Mr. Dhiren S. Shah (DIN 01149436), and Mr. Hardik B Patel (DIN 00590663) retire by rotation and being eligible offer themselves for reappointment. Mr. Samir K. Shah (DIN 01714717) Mr. S.N. Rajan (DIN 00105864) and Mr. Patrick M Davenport (DIN 00962475) were appointed as Independent Directors as per provisions of Companies Act, 2013, though they were already Independent Directors under listing agreement. In order to comply with the provisions of the Companies Act, 2013, your company also appointed Mrs. R. Chitra (DIN 01560585) as an Independent Director to comply with the condition of having a Woman Director. Your Directors recommend the appointment of these four Independent Directors for a period of Five years from the date of appointment.

During the year 2014 - 15 four Meetings of the Board of Directors were held. Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors, has carried out an annual performance evaluation of its own, Sub-Committees of Board and individual directors, based on the criteria laid down in the Nomination Remuneration and Evaluation Policy of the Company.

As per the provisions of Section 2 (51) and Section 203 of the Companies Act, 2013 Company has named Mr. G. Krishna Kumar (Managing Director), Mr. N.N. Parameswaran (Chief Finance Officer & Company Secretary) as the Key Managerial Personnel (KMP) of the Company.

#### **Auditors**

M/S Mohan & Mohan Associates., Chartered Accountants, Thiruvananthapuram Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. In accordance with the Companies Act 2013, it is proposed to re-appoint them as Statutory Auditors for the financial year 2015-16 from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, subject to the approval of shareholders. M/S Mohan & Mohan Associates have given necessary Certificate as per Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

#### **Secretarial Audit**

Secretarial Audit Report as per Section 204 of Companies Act 2013 is placed as annexure to this report.

#### **Management Reply to the observations of the Secretarial Auditor in their report.**

1. Even though there was one day delay in transferring the dividend amount to the Bank Account, the dividend was paid to the shareholders in time.



- Advertisement in the newspaper about the book-closure was an inadvertent omission and company has taken note of this.
- Non-filing of Form 5 INV is an inadvertent omission and steps are taken to file the Form.
- The Board of Directors in its meeting held on 28/10/2013 noted the expiry of the term of Managing Director. As it would take some more time to finalise the terms and conditions of appointment of Managing Director he was requested to continue his office. Subsequently, the terms and conditions of the appointment of Managing Director were finalized and the Board Meeting held on 26th May, 2014 appointed him as the Managing Director of the Company with retrospective effect.

#### **Cost Audit Compliance**

M/s. Ajith Sivasdas & Co, Cost Accountants was appointed as Cost Auditors for the year 2014-15 and a resolution for ratification of the appointment and remuneration payable is included in the Notice of Annual General Meeting.

#### **Disclosures :**

##### **Information Pursuant to Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.**

In terms of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has no employee drawing salary exceeding Rs. 60.00 lacs per annum or Rs. 5.00 lakhs per month during the year under review.

Company is not paying any commission to the Directors.

##### **Vigil Mechanism / Whistle Blower Policy**

The company has established vigil mechanism and adopted whistle blower policy which protects persons who uses the mechanism from victimization. The Policy is posted in the website of the company.

##### **Risk Management Policy :**

The Company has set up a robust risk management framework to identify, monitor and minimize risk and also to identify business opportunities. The Audit Committee also functions as the Risk Management Committee.

##### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Company has not received any complaint under the Sexual Harassment of Women at work place (Prevention and Redressal) Act, 2013.

##### **Status of Employees Stock Option Scheme (ESOS) :**

Employees Stock Option Scheme (ESOS) was approved by

the members in the last Annual General Meeting held on 12-08-2014. No options have been granted or vested during the year 2014 - 15.

##### **Change in the Nature of Business, if any**

There was no change in the nature of business of the Company during the Financial Year 2014-15.

##### **Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report.**

No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this financial statements relate and the date of report.

##### **Significant or Material Orders passed by Regulators / Courts / Tribunals**

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

##### **Subsidiaries, Joint Ventures and Associate Companies**

The Company do not have any Subsidiaries, Joint Ventures and Associate Companies

##### **Internal Financial Controls**

The Company has established adequate internal control system which is commensurate with its nature and volume of operations.

##### **Extract of Annual Return**

The Extract of Annual Return in Form No.MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 is annexed hereto and forms part of this report.

##### **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, Banks, and other agencies of the Central and State government.

Your Directors also wish to place on record the sincere appreciation of 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.

**Bharat J. Patel**  
DIN 01100361  
Chairman

Kanjikode  
07 / 08 / 2015

## ANNEXURE TO THE DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY

a) The Company continues its efforts to improve methods for energy conservation and utilization by –

- Waste heat recovery is deployed extensively at various points so as to conserve energy.
- Rainwater harvesting system has been extended to godown and utilities area and the company has close to 1.5 lakhs sq/ft of catchment area for rain water.
- Installation of energy efficient tube lights and LED lamps at factory area.

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 :

There has been an overall reduction in the consumption of power and fuel due to the implementation of the above initiatives. The waste heat recovery has reduced the usage of fuel and in turn power also.

Rain water harvesting has helped the company not to draw water from underground sources during the monsoon season thus helping to preserve the water table to that extent. In addition to the reduction of water drawn from the ground water sources, the harvesting also has helped to improve the quality of water in the premises since the company recharges the aquifers in and around the factory by directing a portion of the harvested water back to these aquifers.

### 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 : Nil

4) Expenditure on Research and Development

- a) Capital : Nil
- b) Recurring : Nil
- c) Total : Nil

a) 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 : 1385.38

2) FOREIGN EXCHANGE OUT GO

- a) Raw materials : 2412.20
- b) Stores and Spares : 6.21
- c) Travelling Expense : 1.48
- d) Capital Purchase : 33.71
- e) Sales Commission : 2.32
- f) Other Expenditure : 0.96

**AOC-2**

**Form for disclosure of particular of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of Contracts or arrangement or transactions not at arm's length basis**

- |   |       |
|---|-------|
| (a) Name(s) of the related party and nature of relationship   | : N.A |
| (b) Nature of contracts / arrangements / transactions   | : N.A |
| (c) Duration of the contracts / arrangements / transactions   | : N.A |
| (d) Salient terms of the contracts or arran   | : N.A |
| (e) Justifications for entering into such contracts or arrangements or transactions                                   | : N.A |
| (f) Date(s) of approval by the Board  | : N.A |
| (g) Amount paid as advances, if any   | : N.A |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | : N.A |

**2. Details of material contracts or arrangements or transactions at arm's length basis**

- |   |   |
|---|---|
| (a) Name(s) of the related party and nature of relationship                                     | : M/s. Moneybee Advisors Limited  |
| (b) Nature of contracts / arrangements / transactions   | : Techno Commercial Consultancy Services  |
| (c) Duration of the contracts / arrangements / transactions                                     | : 01.04.2014 to 31.10.2019  |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any, | : Fees charged for the above transaction shall be competitive, shall be based on the prevailing market rate and shall not be less than rate charged for such transactions to unrelated third party. |
| (e) Date(s) of approval by the Board  | : 07-11-2014  |
| (f) Amount paid, if any   | : Rs 19.27 lakhs  |

**Annual Report on Corporate Social Responsibility activities :**

- |   |   |
|---|---|
| 1 (a) Brief outline of the Company's CSR Policy                 | : Company believe and act on the philosophy of generosity and compassion, characterized by the willingness to build a better society. The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized / underprivileged sections of the society. |
| (b) Overview of project or programmes proposed to be Undertaken | : Projects in line with the CSR Policy of the Company   |
| (c) Weblink of CSR Policy                                       | : <a href="http://www.rubfila.com/About-us/CSR Policy">http://www.rubfila.com/About us/CSR Policy</a>   |
| 2. The Composition of CSR Committee                             | : The Committee consists of three directors out of which two are non-executive directors.   |



3. Average Net profit of the company for the last three financial years : Rs.1083.62 Lacs
4. Prescribed CSR Expenditure (2% of the above) : Rs.21.67 Lacs
5. a) Details of CSR spent during the financial year : Rs.21.02 Lacs  
b) Amount unspent, if any : Rs.0.65 Lacs  
c) Manner in which the amount spent during the financial year : The areas in which amounts spent are palliative care, infrastructure development for charitable societies , financial assistance to the needy in the society, contribution to the dialysis centre and other public health sector for treatment.
6. In case the company failed to spend the 2% of the average net profit for the last three years or part thereof, the reason for not spending : Company couldn't identify the suitable / viable projects for spending an amount of Rs. 0.65 lacs during the year 2014-15.

Kanjikode  
07/08/2015

For and on behalf of Board of Directors

**Bharat J. Patel**  
**DIN 01100361**  
Chairman

**Form No. MGT - 9**

 EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2015

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L25199KL1993PLC007018
ii.	Registration Date	05-03-1993
iii.	Name of the Company	Rubfila International Ltd
iv.	Category/Sub-Category of the Company	Manufacturer
v.	Address of the Registered office and contact details	New Industrial Development Area, Kanjikode, Palakkad, Kerala - 678 621
vi.	Whether listed company	Yes / <del>No</del> , Listed on BSE
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Ltd, 2 <sup>nd</sup> Floor, "Kences Towers", No.1, Ramakrishna Street, T.Nagar, Chennai - 600 17

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Heat Resistant Latex Rubber Thread	13997	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	Nil	N.A	N.A	N.A	N.A
2.					
3.					
4.					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	11401532	-	11401532	26.38%	16462848	-	16462848	38.09%	11.71%
b) Central/State Govt	2736000	-	2736000	6.33%	2736000	-	2736000	6.33%	0.00%
c) Bodies Corp									
d) Banks / FI									
e) Any Other									
<b>Subtotal(A)(1)</b>	<b>14137532</b>		<b>14137532</b>	<b>32.71%</b>	<b>19198848</b>		<b>19198848</b>	<b>44.42%</b>	<b>11.71%</b>
<b>2) Foreign</b>									
f) Individuals (NRI/Foreign)	4984119		4984119	11.53%	9010057		9010057	20.85%	9.32%
g) Bodies Corp.	7316608	1777312	9093920	21.04%					21.04%
h) Banks / FI									
i) Any Other....									
<b>Subtotal(A)(2)</b>	<b>12300727</b>	<b>1777312</b>	<b>14078039</b>	<b>32.57%</b>	<b>9010057</b>		<b>9010057</b>	<b>20.85%</b>	<b>-11.73%</b>
<b>Total Promoter Shareholding (A)=(A)(1)+(A)(2)</b>	<b>26438259</b>	<b>1777312</b>	<b>28215571</b>	<b>65.29%</b>	<b>28208905</b>		<b>28208905</b>	<b>65.27%</b>	<b>-0.02%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	63,680	63,680	0.15%	-	63,680	63,680	0.15%	0.00%
b) Banks / FI	80	80	160	0.00%	80	80	160	0.00%	0.00%
c) Central/State Govt									
d) Venture Capital Funds									
e) Insurance Companies									
f) FIs									
g) Foreign Venture Capital Funds									
h) Others (specify)									
<b>Subtotal(B)(1)</b>	<b>80</b>	<b>63760</b>	<b>63840</b>	<b>0.15%</b>	<b>80</b>	<b>63760</b>	<b>63840</b>	<b>0.15%</b>	<b>0.00%</b>
<b>2. Non Institutions</b>									
a) Bodies Corporate (Indian/Overseas)	1195493	133120	1328613	3.07%	1254483	131760	1386243	3.21%	0.13%
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4818239	3803672	8621911	19.95%	4666524	3609032	8275556	19.15%	-0.80%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3219137	1704960	4924097	11.39%	4038427	1165280	5203707	12.04%	0.65%
c) Others (Specify) :-									
Clearing Member	43263	-	43263	0.10%	79044	-	79044	0.18%	0.08%
Limited Liability Partnership	20000	-	20000	0.05%	-	-	-	-	-0.05%
Trust	-	234	234	0.00%	-	234	234	0.00%	0.00%
<b>Sub-total(B)(2)</b>	<b>9296132</b>	<b>5641986</b>	<b>14938118</b>	<b>34.56%</b>	<b>10038478</b>	<b>4906306</b>	<b>14944784</b>	<b>34.58%</b>	<b>0.02%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>9296212</b>	<b>5705746</b>	<b>15001958</b>	<b>34.71%</b>	<b>10038558</b>	<b>4970066</b>	<b>15008624</b>	<b>34.73%</b>	<b>0.02%</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>35734471</b>	<b>7483058</b>	<b>43217529</b>	<b>100%</b>	<b>38247463</b>	<b>4970066</b>	<b>43217529</b>	<b>100%</b>	<b>0.00%</b>



**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	ENTELECHY HOLDINGS CORPN	1777312	4.11%	-	-	0.00%	-	-4.11%
2	MINAL BHARAT PATEL	4640480	10.74%	-	6835571	15.82%	-	5.08%
3	BHARAT JAYANTILAL PATEL	510572	1.18%	-	693906	1.61%	-	0.42%
4	BHARATI BHARAT DATTANI	1863525	4.31%	-	4058616	9.39%	-	5.08%
5	KERALA STATE INDUSTRIAL DEVELOPMENT CORPORATION	2736000	6.33%	-	2736000	6.33%	-	0.00%
6	ANNIE GUAT KHUAN CHEW	1925080	4.45%	-	4872932	11.28%	-	6.82%
7	CHRISTOPHER CHONG MENG TAK	2010875	4.65%	-	2644918	6.12%	-	1.47%
8	BARRY CHRISTOPHER YATES	1048164	2.43%	-	1492207	3.45%	-	1.03%
9	BHARAT JAMNADAS DATTANI	3400000	7.87%	-	3400000	7.87%	-	0.00%
10	DHIREN SHEVANTILAL SHAH	986955	2.28%	-	1474755	3.41%	-	1.13%
11	RUBPRO SDN BHD	7316608	16.93%	-	-	0.00%	-	-16.93%
	<b>Total</b>	<b>28215571</b>	<b>65.29%</b>	<b>-</b>	<b>28208905</b>	<b>65.27%</b>	<b>-</b>	<b>-0.02%</b>

**iii. Change In Promoters' Shareholding (please specify, if there is no change)**

S. No.	Date	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1		ENTELECHY HOLDINGS CORPN				
	01.04.2014	At the beginning of the year	1777312	4.11%	1777312	4.11%
	31.03.2015	Sold At the End of the year	1777312 -	4.11% -	 -	 -
2		MINAL BHARAT PATEL				
	01.04.2014	At the beginning of the year	4640480	10.74%	4640480	10.74%
	31.03.2015	Purchase At the End of the year	2195091 6835571	5.08% 15.82%	6835571 6835571	15.82% 15.82%
3		BHARAT JAYANTILAL PATEL				
	01.04.2014	At the beginning of the year	510572	1.18%	510572	1.18%
	31.03.2015	Purchase At the End of the year	183334 693906	0.42% 1.61%	693906 693906	1.61% 1.61%
4		BHARATI BHARAT DATTANI				
	01.04.2014	At the beginning of the year	1863525	4.31%	1863525	4.31%
	31.03.2015	Purchase/Sold At the End of the year	 1863525	 4.31%	1863525 1863525	4.31% 4.31%
5		KERALA STATE INDUSTRIAL DEVELOPMENT CORPORATION				
	01.04.2014	At the beginning of the year	2736000	6.33%	2736000	6.33%
	31.03.2015	Purchase/Sold At the End of the year	 2736000	 6.33%	2736000 2736000	6.33% 6.33%
6		ANNIE GUAT KHUAN CHEW				
	01.04.2014	At the beginning of the year	1925080	4.45%	1925080	4.45%
	31.03.2015	Purchase/Sold At the End of the year	2947852 4872932	6.82% 11.28%	4872932 4872932	11.28% 11.28%
7		CHRISTOPHER CHONG MENG TAK				
	01.04.2014	At the beginning of the year	2010875	4.65%	2010875	4.65%
	31.03.2015	Purchase/Sold At the End of the year	634043 2644918	1.47% 6.12%	2644918 2644918	6.12% 6.12%
8		BARRY CHRISTOPHER YATES				
	01.04.2014	At the beginning of the year	1048164	2.43%	1048164	2.43%
	31.03.2015	Purchase/Sold At the End of the year	444043 1492207	1.03% 3.45%	1492207 1492207	3.45% 3.45%
9		BHARAT JAMNADAS DATTANI				
	01.04.2014	At the beginning of the year	3400000	7.87%	3400000	7.87%
	31.03.2015	Purchase/Sold At the End of the year	 3400000	 7.87%	3400000 3400000	7.87% 7.87%
10		DHIREN SHEVANTILAL SHAH				
	01.04.2014	At the beginning of the year	986955	2.28%	986955	2.28%
	31.03.2015	Purchase/Sold At the End of the year	487800 1474755	1.13% 3.41%	1474755 1474755	3.41% 3.41%
11		RUBPRO SDN. BHD.				
	01.04.2014	At the beginning of the year	7316608	16.93%	7316608	16.93%
	31.03.2015	Purchase/Sold At the End of the year	7316608 -	16.93% -	 -	 -

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Date	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	GOPINATHAN C K					
	01.04.2014	At the beginning of the year	-	-	-	-
		Purchase/Sold	813833	1.88%	813833	1.88%
	31.03.2015	At the End of the year	813833	1.88%	-	-
2	ACUMEN CAPITAL MARKET (INDIA) LTD					
	01.04.2014	At the beginning of the year	479723	1.11%	479723	1.11%
		Purchase/Sold	163939	0.38%	643662	1.49%
	31.03.2015	At the End of the year	643662	1.49%	643662	1.49%
3	SETHU PARVATHY					
	01.04.2014	At the beginning of the year	254259	0.59%	254259	0.59%
		Purchase/Sold	12600	0.03%	266859	0.62%
	31.03.2015	At the End of the year	266859	0.62%	266859	0.62%
4	VELL PAARI					
	01.04.2014	At the beginning of the year	240000	0.56%	240000	0.56%
		Purchase/Sold	-	-	240000	0.56%
	31.03.2015	At the End of the year	240000	0.56%	240000	0.56%
5	S SUBRAMANIAM					
	01.04.2014	At the beginning of the year	224000	0.52%	224000	0.52%
		Purchase/Sold	-	-	224000	0.52%
	31.03.2015	At the End of the year	224000	0.52%	224000	0.52%
6	KAMARUDDIN BIN TAIB					
	01.04.2014	At the beginning of the year	192000	0.44%	192000	0.44%
		Purchase/Sold	-	-	192000	0.44%
	31.03.2015	At the End of the year	192000	0.44%	192000	0.44%
7	SUJA PAULSON					
	01.04.2014	At the beginning of the year	-	-	-	-
		Purchase/Sold	182239	0.42%	182239	0.42%
	31.03.2015	At the End of the year	182239	0.42%	182239	0.42%
8	PAULSON K P					
	01.04.2014	At the beginning of the year	-	-	-	-
		Purchase/Sold	181032	0.42%	181032	0.42%
	31.03.2015	At the End of the year	181032	0.42%	181032	0.42%
9	KISHINCHAND TILOOMAL BHOJWANI					
	01.04.2014	At the beginning of the year	79920	0.18%	79920	0.18%
		Purchase/Sold	85000	0.20%	164920	0.38%
	31.03.2015	At the End of the year	164920	0.38%	164920	0.38%
10	HRIDAYANATH CONSULTANCY PRIVATE LIMITED					
	01.04.2014	At the beginning of the year	-	-	-	-
		Purchase/Sold	162113	0.38%	162113	0.38%
	31.03.2015	At the End of the year	162113	0.38%	162113	0.38%



**v. Shareholding of Directors and Key Managerial Personnel :**

S. No.	Date	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1		<b>BHARAT JAYANTILAL PATEL</b>				
	01.04.2014	At the beginning of the year	510572	1.18%	510572	1.18%
		Purchase	183334	0.42%	693906	1.61%
	31.03.2015	At the End of the year	693906	1.61%	693906	1.61%
2		<b>BHARAT JAMNADAS DATTANI</b>				
	01.04.2014	At the beginning of the year	3400000	7.87%	3400000	7.87%
		Purchase/Sold	-	-	3400000	7.87%
	31.03.2015	At the End of the year	3400000	7.87%	3400000	7.87%
3		<b>DHIREN SHEVANTILAL SHAH</b>				
	01.04.2014	At the beginning of the year	986955	2.28%	986955	2.28%
		Purchase/Sold	487800	1.13%	1474755	3.41%
	31.03.2015	At the End of the year	1474755	3.41%	1474755	3.41%
4		<b>G. KRISHNA KUMAR</b>				
	01.04.2014	At the beginning of the year	58571	0.14%	58571	0.14%
		Purchase/Sold	-	-	58571	0.14%
	31.03.2015	At the End of the year	58571	0.14%	58571	0.14%
5		<b>N.N. PARAMESWARAN</b>				
	01.04.2014	At the beginning of the year	101600	0.24%	101600	0.24%
		Purchase/Sold	-	-	101600	0.24%
	31.03.2015	At the End of the year	101600	0.24%	101600	0.24%

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not	Nil	Nil	Nil	Nil
Total(i + ii + iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
- Addition				
- Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	Nil	Nil	Nil

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. G. Krishna Kumar Managing Director / CEO	
	Gross salary		
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.23	48.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.22	0.22
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - Others, specify...	Nil	Nil
5.	Others - Reimbursement of Expenses	3.65	3.65
6.	<b>Total(A)</b>	<b>52.10</b>	<b>52.10</b>
	Ceiling as per the Act	99.90	99.90

**B. Remuneration to Other Directors**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
	<u>Independent Directors</u>		
	Fee for attending board / committee meetings	1. Patrick M Davenport 2. S.N. Rajan 3. Samir K Shah 4. Chitra. R	1.00 0.20 0.25 0.00
	-Commission		Nil
	-Others, please specify		Nil
	<b>Total (1)</b>		<b>1.45</b>
	<u>Other Non - Executive Directors</u>		
	-Fee for attending board committee meetings	1. Bharat J Patel 2. Bharat J Dattani 3. Dhiren S Shah 4. Hardik Patel 5. Tommy Thompson	0.80 0.60 1.00 0.20 0.40
	-Commission		Nil
	-Others, please specify		Nil
	<b>Total (2)</b>		<b>3.00</b>
	<b>Total (B) = (1+2)</b>		<b>4.45</b>
	<b>Total Managerial Remuneration (A + B)</b>		<b>56.55</b>

**C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Chief Finance Officer & Company Secretary	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.46	30.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.19	0.19
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	StockOption	Nil	Nil
3.	SweatEquity	Nil	Nil
4.	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	-others, specify...	Nil	Nil
5.	Others		
	- Reimbursement of Expenses	1.22	1.22
	<b>Total</b>	<b>31.87</b>	<b>31.87</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers In Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
Rubfila International Limited  
New Industrial Development area, Menonpara Road  
Kanjikode, Palakkad, Kerala - 678621

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Rubfila International Limited [CIN: L25199KL1993PLC007018] (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable) (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

(vi) As informed to us, the following other laws are specifically applicable to the Company:

1. The Factories Act, 1948;
2. The Air (Prevention and Control of Pollution) Act, 1981;
3. The Environment (Protection) Act, 1986;
4. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
5. The Employees' State Insurance Act, 1948;
6. Equal Remuneration Act, 1976;
7. The Payment of Bonus Act, 1965;
8. The Industrial Employment (Standing Orders) Act, 1946;
9. The Minimum Wages Act, 1948;
10. The Payment of Wages Act, 1936;
11. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. There was a delay of one day in transferring the dividend declared by the Company to the separate bank account, under Section 123 of the Companies Act 2013, in the Annual General Meeting held on 12th August 2014. The amount remained unpaid / unclaimed was transferred to the unpaid / unclaimed dividend account, as per Section 205 of the Companies Act 1956, before the completion of the period of thirty days;
2. The Company has closed its Share Transfer Books and the Register of Members from 05th August 2014 to 12th August 2014 for which no newspaper advertisement was made as per Rule 10 of Companies (Management and Administration) Rules, 2014;
3. The Company has not filed Form 5 INV for intimation of

the outstanding amounts of unclaimed or unpaid dividend as on the date of AGM held on 12th August 2014 as per Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012;

4. The term of Managing Director was expired on 31st October 2013. The appointment of Managing Director from 1st November 2013 to 31st October 2016 was however made in the Board meeting held on 26th May 2014;

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same were captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no instances of:

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

This Report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this Report.

For SVJS & Associates  
Company Secretaries

Sd/-  
CS. Vincent P.D.  
Senior Partner  
FCS: 3067  
CP No: 7940

Kochi  
07.08.2015

To,

The Members  
Rubfila International Limited  
New Industrial Development area, Menonpara Road  
Kanjikode, Palakkad, Kerala - 678621

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2015 but before issue of the Report.
7. Wherever there was scope for multiple interpretations, we have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 has become operational.

For SVJS & Associates  
Company Secretaries

Sd/-  
CS. Vincent P.D.  
Senior Partner  
FCS: 3067  
CP No: 7940

Kochi  
07.08.2015



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

We at Rubfila International Limited, are committed to good corporate governance and its adherence to the best practices of true spirits at all times. In pursuit of 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. Our corporate Governance philosophy rests on five basic tenets viz., Board's accountability, value creation, strategic guidance, transparency and equitable treatment to all stakeholders.

### BOARD OF DIRECTORS

#### A) Composition of the Board and category of Directors

As on 31st March, 2015, the Company's Board consists of 10 Directors having considerable professional experience in their respective fields. The Composition of the Board is in conformity with Clause 49 of Listing Agreements with Stock Exchanges and as per Companies Act, 2013 which is effective as on 31st March, 2015.

Name	Executi-ve / Non-Executive/ Independent	No.of shares held as on 31st March, 2015	No.of Outside Directorships held in Indian Public Limited Companies	No. of Outside Committee positions held in Audit/Stakeholders Relationship Committees		No. of Board Meetings		Atten- ded last AGM
				Member	Chairman	Held	Attended	
Mr.Bharat J Patel	Non-Executive	693906	3	Nil	Nil	4	4	Y
Mr. G.Krishna Kumar	Executive	58571	Nil	Nil	Nil	4	4	Y
Mr.Thomas Carlton Thompson 3rd (Tommy Thompson)	Non-Executive	Nil	Nil	Nil	Nil	4	2	N
Mr.Bharat J. Dattani	Non-Executive	3400000	1	Nil	Nil	4	3	Y
Mr.Dhiren S Shah	Non-Executive	1474755	1	Nil	Nil	4	4	Y
Mr.Samir K Shah	Non-Executive & Independent	Nil	Nil	Nil	Nil	4	1	N
Mr.Patrick M Davenport	Non-Executive & Independent	Nil	Nil	Nil	Nil	4	4	Y
Mr.Hardik B. Patel	Non-Executive	Nil	Nil	Nil	Nil	4	1	N
Mr.S.N.Rajan	Non-Executive & Independent	14066	Nil	Nil	Nil	3	1	N.A
Mrs.R.Chitra	Non-Executive & Independent	Nil	Nil	Nil	Nil	-	-	N.A

#### B) Role of Board of Directors :

Your Company's Board of Directors plays primary role in ensuring good governance, smooth functioning of the Company and in the creating of shareholder value. The Board's role, functions, responsibility and accountability are clearly defined. As part of its function, your Board periodically reviews all the relevant information which is required to be placed before it pursuant to Clause 49 of the Listing Agreement and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure. Your Board not only monitors the Company's overall corporate performance it also set standards of corporate behavior, ensures transparency in corporate dealing and compliance with the laws and regulations.

Agenda of the Board Meeting and Notes on Agenda are circulated to the Directors as far as possible well in advance of each Board Meeting. At the Board meeting elaborate presentations are made to the Board. The members discusses each agenda item freely in detail.



**OTHER COMMITTEES AT BOARD LEVEL****A) Qualified and Independent Audit Committee**

The Audit Committee at the Board level of your Company acts as a link between the Independent Auditors, Internal Auditors, the Management and the Board of Directors and oversees the financial reporting process. The Audit committee interacts with the Internal Auditors, Independent Auditors, Secretarial Auditors and Cost Auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

In general the Audit Committee reviews the Audit and internal control procedures, accounting policies and the Company's financial reporting process and ensure that the financial statements are correct, sufficient and credible and exercises the powers as recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013. Further your Audit Committee also reviews the following information mandatorily :

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters of internal control weaknesses if any issued by the statutory auditors;
4. Internal Audit report relating to internal control weaknesses, if any and implementation of action points arising there from and;
5. The appointment, removal and terms of remuneration of the Internal Auditors
6. Quarterly and annual financial statements and;
7. Risk assessment and minimization procedures

**B) Stakeholders Relationship Committee**

In compliance with the provisions of Listing agreement and Section 178 of Companies Act, 2013, your company re-constituted this committee as "Stakeholders Relationship Committee". This committee of the Board of your Company looks into various issues relating to shareholders/investors including transfer and transmission of shares held by shareholders in physical format as well as non-receipt of dividend, Annual Report, shares after transfer and delays in transfer of shares. The committee also looks into issues including status of dematerialization/rematerialization of shares and issue of duplicate share certificates and tracks investor complaints and suggest measures for improvement from time to time.

The Committee comprises of Mr.Patrick M Davenport as Chairman and Mr.Samir K.Shah and Mr.Dhiren S. Shah as members. Mr.N.N.Parameswaran, being Compliance Officer acts as Secretary to the Committee to discharge the function of the Committee. As on 31st March, 2015 no complaints remained unattended/pending more than thirty days. The company has no share transfers/transmission pending as on 31st March, 2015.

**C) Corporate Social Responsibility Committee (CSR Committee)**

The Board believe and act on the philosophy of generosity and compassion, characterized by the willingness to build a better society.

The CSR Committee comprises of Mr.Bharat J.Dattani as the Chairman, Mr.S.N.Rajan and Mr.G.Krishna Kumar Directors as members. The Committee reviewed the CSR activities undertaken during the year.

**D) Nomination and Remuneration Committee**

In compliance of Section 178 of Companies Act, 2013 the Board renamed the Remuneration committee as "Nomination and Remuneration Committee. Your Board has re-constituted the Nomination and Remuneration Committee which now comprises of Mr.Patrick M.Davenport Independent Director as Chairman, Mr.Bharat J. Patel and Mr.S.N.Rajan as Members.

The terms of reference of the committee inter alia include Succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors

based on certain laid down criterias, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between fixed and incentive pay reflecting both short and long term objectives of the company.

The Committee reviewed the performance of the Directors both Non- Executive and Executive Directors and also the senior managerial personnel including Key Managerial personnel during the year.

#### E) Risk Management Committee

Evaluation of Business Risk and managing the risk has always been an ongoing process in your Company. The Company has set up a robust risk management framework to identify, monitor and minimize risk and also to identify business opportunities. The Audit Committee also functions as the Risk Management Committee. The objectives and scope of the BRM committee comprises of an oversight of risk management performed by the executive management, review BRM policy and framework in line with local legal frame work and SEBI guidelines and defining framework in identification, assessment, monitoring, mitigation and reporting risks.

#### REMUNERATION OF NON- EXECUTIVE / EXECUTIVE DIRECTORS

All decisions relating to the remuneration of the Directors were taken by the Board of Directors of the Company and in accordance with the Share holders' approval wherever necessary.

Your company pays a sitting fees of Rs.20000 for each Board meeting and Rs.5000 each for Audit Committee meetings attended by the Directors except to Executive Directors.

Details for remuneration paid / to be paid to the Directors for the year under review are as under:

Name of the Director	Business relationship with the Company	Salary, benefits, bonus etc paid during the year 2014-15	Sitting fess (for Board and its committess)
Mr.Bharat J Patel	Chairman	-	80000
Mr. G.Krishna Kumar	Managing Director	52,09,572	Nil
Mr.Thomas Carlton Thompson 3rd (Tommy Thompson)	Director	-	40000
Mr.Bharat J. Dattani	Director	-	60000
Mr.Dhiren S Shah	Director	-	100000
Mr.Samir K Shah	Independent Director	-	25000
Mr.Patrick M Davenport	Independent Director	-	100000
Mr.Hardik B. Patel	Director	-	20000
Mr.S.N.Rajan	Independent Director	-	20000
Mrs.R.Chitra	Women Director (Independent Director)	-	Nil

#### CODE OF CONDUCT AND CEO/CFO CERTIFICATION

The Board had adopted a code of conduct for all Board members and senior management of the company. The term senior management means personnel of the company who are members of its core management team excluding Board of Directors. Normally this would comprise all members of management one level below the executive directors, including all functional heads.

The code has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them.

Mr.G.Krishna Kumar, Managing Director and Mr. N.N.Parameswaran, CFO of the Company have certified to the Board that :

- (a) They have reviewed the Financial Statements and the Cash Flow statement for the year and that to the best of their knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading; and
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to the financial report and they have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting

**We hereby confirm that:**

"The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2014-15"

G.Krishnakumar  
 Managing Director

N.N.Parameswaran  
 CFO

**General Body Meetings**

- (i) The Annual General Meetings for the last three years were held as follows:

Year	AGM	Venue	Date	Time	No.of Special Resolutions
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
2013 - 14	AGM	SKM Auditorium, Kanjikode.	12/08/2014	11.00 a.m	Nil

**Disclosures:**

Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large:



All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

The details of related party transactions are disclosed in Note No. 30 attached to and forming part of the accounts.

#### **Compliance with Accounting Standards**

In the preparation of financial statements there is no deviation from the prescribed Accounting Standards.

#### **Compliance Certificate from the auditors**

Certificate from the auditors of the company confirming compliance with the mandatory requirements under clause 49 of the listing agreement is annexed to this report.

#### **General Shareholder Information:**

Annual General Meeting Date	: 26th September 2015
Venue	: S K M Auditorium, Kanjikode
Financial Year	: 2014 - 15
Book closure date	: 19th September, 2015 to 26th September 2015 (both days inclusive)
Dividend recommended for the year	: 15%
Listing on stock exchange	: Mumbai Stock Exchange.
Stock Code	: 500367
Market price Data (Face value of Rs.5)	:

Month	Month's High Price	Month's Low Price
April - 2014	24.70	16.55
May - 2014	27.70	22.00
June - 2014	35.00	22.40
July - 2014	33.00	23.75
August - 2014	36.75	23.70
September - 2014	51.70	31.15
October - 2014	52.80	40.00
November - 2014	52.50	43.75
December - 2014	47.00	37.50
January - 2015	50.55	41.65
February - 2015	47.80	38.00
March - 2015	41.00	35.60

#### **Distribution of shareholding:**

S No	Category of shares	No.of Holders	% to Holders	No.of Shares	% to Shares
1	Upto - 500	39511	94.16	4750131	10.99
2	501 - 1000	1325	3.16	1031449	2.39
3	1001 - 2000	541	1.29	816136	1.89
4	2001 - 3000	154	0.37	387420	0.90
5	3001 - 4000	99	0.24	362762	0.84
6	4001 - 5000	82	0.20	380770	0.88
7	5001 - 10000	118	0.28	859115	1.99
8	10001 and Above	133	0.32	34629746	80.13
	<b>Total</b>	<b>41963</b>	<b>100.00</b>	<b>43217529</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity :**

The company has arranged agreements with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) for Dematerialisation of shares through Integrated Enterprises (India) Limited.

Shareholding Pattern as on 31/03/2015 :

Category	No. of Shares held	% of Shareholding
Promoters	28208905	65.27
Mutual Funds/ UTI/ Fin. Institutions / Banks	63840	0.14
Bodies Corporate	1386243	3.20
Public Individuals	13558541	31.39
<b>Total</b>	<b>43217529</b>	<b>100.00</b>

**Registrar / Transfer Agents / Depository Registrars :**

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

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

**a) 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.

**b) 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 07/08 /2015.

**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, 2015, 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

Thiruvananthapuram  
 29/05/2015

Chartered Accountants  
**R. SURESH MOHAN**  
 (Partner)  
 Membership No. 13398  
 Firm No. 020925

## MANAGEMENT DISCUSSION AND ANALYSIS

The company is in the business of manufacturing of Heat Resistant Latex Rubber Thread (HRLRT) and has achieved a gross turnover of Rs.16905.93 Lacs during the year under review. The operational profits have improved in absolute terms even as there was pressure on the margins due to the pricing issues in the raw material and products.

### A) INDUSTRY STRUCTURE AND DEVELOPMENT :

The garment industry continues to be the largest customer segment for rubber threads. There are minor segments of demand like toys, sports, entertainment, furniture, healthcare etc also.

### Market Scenario

The Textile market in India is in its growth path owing to the urbanization at large levels and undergarments as a sub-segment has been growing at healthy rates. The fast growing exclusive chain stores for undergarments clearly indicates the market growth in this sector; which indirectly helps the growth in the rubber thread market also. The Company has been successful in finding markets for the production from the expanded capacity at Palakkad. While there is growth happening in the domestic elastic market, there is excess capacity for production of rubber threads in the country and that way the growth in the domestic market is limited. This has prompted the Company to explore international markets and with the reputation the company has built up worldwide, it is getting positive responses from more overseas customers. New customers from countries like Bangladesh, Italy, West Asian region have shown interest in doing business with the company. The Company is confident of acquiring more new customers in other countries as well in the near future.

The rubber thread manufacturing industry has been doing badly in general due to over capacity and cheaper imports from South East Asian Countries. A major challenge faced by the Indian Rubber Thread industry is the disparity in the prices of the centrifuged latex, major raw material, in South East Asian markets and India. The steps taken by the Government in protecting the interest of Indian Rubber Growers have reduced the competitiveness of the Indian manufacturers. There have been huge increase in the import of rubber threads into the country hurting the Indian manufacturers.

The import duty on centrifuged latex is 70% whereas threads can be imported at much lower import duties. Unless the Government addresses this issue of inverted

duty structure, the industry is going to face serious challenges.

The growth in the elastic market is shared between rubber threads and spandex with major growth going for spandex. Spandex being a product of the petroleum chain, the cooling of the crude oil prices has resulted in lower prices helping in spurring the consumption.

### 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 golden 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.
4. Unutilised excess capacity lying idle in India/Worldwide

### 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 growth even as challenges remain.

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

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

### E) FINANCIAL AND OPERATIONAL PERFORMANCE :

Please refer Board Report on performance review.

### F) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT :

Industrial relations continue to be satisfactory. Long term wage settlement entered into with the trade unions expired on 31.03.2014. Management is in discussion with the trade unions for its renewal. Operations of the Company was suspended from 01.04.2015 to 12.05.2015 due to labour unrest.



## INDEPENDENT AUDITORS' REPORT

To the members of Rubfila International Limited

### Report on Financial statements

We have audited the accompanying financial statements of Rubfila International Limited, which comprise Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### 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

- a) In the case of Balance Sheet of the state of affairs of the company as at 31st March 2015:
- b) In the case of the Statement of profit and loss of the profit for the year ended on that date , and
- c) 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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements
- ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **MOHAN & MOHAN ASSOCIATES**  
Chartered Accountants

**R.SURESH MOHAN**  
(Partner)  
Mem No. 13398.  
Firm No. 02092 S

Place : Thiruvananthapuram  
Date : 29-05-2015

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

In the Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b. The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. a. The inventory, excluding stocks with third parties, has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. 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 inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under subsection (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax, duty of customs and duty of excise which have not been deposited on account of any dispute. The particulars of dues of sales tax, and value added tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:



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. 7.24
	-do-	2003-04	Rs. 167.16	Rs. 0.81
	-do-	2004-05	Rs.173.31	Rs.0.46
CST	-do-	2002-03	Rs. 125.75	Rs. 77.17
	-do-	2003-04	Rs. 145.61	Rs. 44.26
	-do-	2004-05	Rs. 108.30	Rs. 34.68

- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. As the Company does not have any borrowings from any financial institution or bank; nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **MOHAN & MOHAN ASSOCIATES**  
Chartered Accountants

**R.SURESH MOHAN**  
(Partner)  
Mem No. 13398.  
Firm No. 02092 S

Place : Thiruvananthapuram  
Date : 29-05-2015

**Balance Sheet as at 31 March, 2015**

in ₹ Lakhs

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	2,160.88	2,160.88
Reserves & Surplus	3	4,540.19	3,571.45
		6,701.07	5,732.33
<b>Non-current liabilities</b>			
Long-term provisions	4	244.48	163.85
Deferred Tax Liability (Net)	33	236.98	249.38
		481.46	413.22
<b>Current liabilities</b>			
Trade Payables	5	863.43	370.26
Other Current Liabilities	6	163.26	118.46
Short term provisions	7	1,213.10	649.12
		2,239.79	1,137.84
<b>TOTAL</b>		<b>9,422.32</b>	<b>7,283.39</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
i) Tangible Assets	8	2,871.56	2,789.08
ii) Intangible Assets	8	2.82	0.54
		2,874.38	2,789.62
Long-term loans and advances	9	609.94	21.10
		3,484.32	2,810.72
<b>Current assets</b>			
Inventories	10	985.59	375.39
Trade Receivables	11	2,357.19	1,760.42
Cash and Cash Equivalents	12	475.03	477.69
Short term Loans and advances	13	2,015.56	1,663.48
Other Current Assets	14	104.63	195.69
		5,938.00	4,472.67
<b>TOTAL</b>		<b>9,422.32</b>	<b>7,283.39</b>
<b>Summary of significant accounting policies</b>	1		
The notes are an integral part of these financial statements			

In terms of our report of even date

**For Mohan & Mohan Associates**  
 Chartered Accountants

**R. Suresh Mohan**  
 Partner  
 Membership No : 13398  
 Firm No : 020925

 Place : Thiruvananthapuram  
 Date : 29th May, 2015

**For and on behalf of the Board of Directors**
**Bharat J Patel**  
 Chairman  
 DIN 01100361

**N.N. Parameswaran**  
 Chief Finance Officer & Company Secretary

 Place : Mumbai  
 Date : 29th May, 2015

**G.Krishna Kumar**  
 Managing Director  
 DIN 01450683

**Statement of Profit and Loss for the year ended 31 March, 2015**

in ₹ Lakhs

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Revenue from operations (gross)	15	17,002.74	13,238.80
Less: Excise duty		855.24	695.73
Revenue from operations (net)		16,147.50	12,543.07
Other income	16	104.16	128.95
<b>Total revenue</b>		<b>16,251.66</b>	<b>12,672.02</b>
<b>Expenses</b>			
(a) Cost of materials consumed	17	11,485.38	9,464.22
(b) Changes in inventories of finished goods.	18	(144.98)	(13.77)
(c) Employee benefits expense	19	746.77	466.82
(d) Finance costs	20	8.98	(3.31)
(e) Depreciation and amortisation expense	8	272.60	307.49
(f) Other expenses	21	1,881.09	1,053.30
<b>Total expenses</b>		<b>14,249.84</b>	<b>11,274.75</b>
<b>Profit before exceptional items and Tax</b>		<b>2,001.82</b>	<b>1,397.27</b>
Exceptional Items	22	39.95	-
<b>Profit before tax</b>		<b>2,041.77</b>	<b>1,397.27</b>
<b>Tax expense -</b>			
(a) Current tax expense for current year		695.30	290.00
(b) (Less): MAT credit		-	73.27
		695.30	216.73
(e) Deferred tax	33	(12.40)	251.69
		<b>682.90</b>	<b>468.42</b>
<b>Profit after Tax</b>		<b>1,358.87</b>	<b>928.85</b>
<b>Earnings per share (of ₹ 5/- each):</b>			
Basic & Diluted	32	3.14	2.15
<b>Summary of significant accounting policies</b>	1		
The notes are an integral part of these financial statements			

In terms of our report of even date

**For Mohan & Mohan Associates**

Chartered Accountants

**R. Suresh Mohan**

Partner

Membership No : 13398

Firm No : 020925

**For and on behalf of the Board of Directors**
**Bharat J Patel**

Chairman

DIN 01100361

**N.N. Parameswaran**

Chief Finance Officer &amp; Company Secretary

**G.Krishna Kumar**

Managing Director

DIN 01450683

Place : Thiruvananthapuram

Date : 29th May, 2015

Place : Mumbai

Date : 29th May, 2015



## Cash Flow Statement for the year ended 31 March, 2015

in ₹ Lakhs

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		<b>2,041.77</b>		<b>1,397.26</b>
<i>Adjustments for:</i>				
Depreciation and amortisation	272.60		307.49	
(Profit) / loss on sale / write off of assets	(3.80)		(1.70)	
Finance costs	8.98		(3.31)	
Interest income	(69.93)		(116.96)	
Net (gain) / loss on sale of investments	-		-	
Rental income from operating leases	-		(2.89)	
Liabilities / provisions no longer required written back	-		-	
Provision for doubtful trade and other receivables, loans and advances	-		-	
Provision for contingencies	-		-	
Other non-cash charges - Preliminary Expenses	-		-	
	207.85		182.63	
Operating profit / (loss) before working capital changes		<b>2,249.62</b>		<b>1,579.89</b>
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(610.20)		(64.93)	
Trade receivables	(596.77)		(362.86)	
Short-term loans and advances	(352.08)		406.10	
Long-term loans and advances	(588.84)		4.32	
Other current assets	91.06		(181.49)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	493.17		(105.74)	
Other current liabilities	44.80		36.41	
Short-term operating provisions	71.03		6.65	
Long-term provisions	80.63		1.46	
	(1,367.20)		(260.09)	
		<b>882.42</b>		<b>1,319.80</b>
Cash flow from extraordinary items		-		-
Cash generated from operations		<b>882.42</b>		<b>1,319.80</b>
Net income tax (paid) / refunds		<b>(289.10)</b>		<b>(253.20)</b>
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>593.32</b>		<b>1,066.60</b>

in ₹ Lakhs

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed Assets, including capital advances	(360.23)		(632.06)	
Proceeds from sale of fixed assets	6.68		19.00	
Interest received	69.93		116.96	
Rental income from operating leases	-		2.89	
Cash generated from Investments		<b>(283.62)</b>		<b>(493.21)</b>
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(283.62)</b>		<b>(493.21)</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)		(259.31)	
Payment of Dividend Tax	(44.07)		(44.07)	
Finance cost	(8.98)		3.31	
		<b>(312.36)</b>		<b>(300.06)</b>
Net income tax (paid) / refunds				-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(312.36)</b>		<b>(300.06)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A + B + C)</b>		<b>(2.66)</b>		<b>273.32</b>
Cash and cash equivalents at the beginning of the year		477.69		204.36
<b>Cash and cash equivalents at the end of the year</b>		<b>475.03</b>		<b>477.69</b>
The figures in brackets represent outflows of cash and equivalents.				
Previous year's figures have been regrouped/reclassified, wherever necessary.				

In terms of our report of even date

**For Mohan & Mohan Associates**

Chartered Accountants

**R. Suresh Mohan**

Partner

Membership No : 13398

Firm No : 020925

Place : Thiruvananthapuram

Date : 29th May, 2015

**For and on behalf of the Board of Directors**
**Bharat J Patel**

Chairman

DIN 01100361

**N.N. Parameswaran**

Chief Finance Officer &amp; Company Secretary

Place : Mumbai

Date : 29th May, 2015

**G.Krishna Kumar**

Managing Director

DIN 01450683

## Notes to Financial Statements for the year ended March 31, 2015

### 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.

### 1. Summary of Significant Accounting Policies

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

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation with and recommendations of the National Financial Reporting Authority, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended (the 'Rules'), continue to be applicable, accordingly, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Rules and other relevant provisions of the Companies Act, 2013.

#### 1.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

#### 1.3 Current - Non Current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the

nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 1.4 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.

#### 1.5 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.

#### 1.6 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.

#### 1.7 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.

#### 1.8 Fixed Assets & Depreciation

- i. Tangible assets are stated at cost of acquisition or construction less accumulated depreciation. All significant costs relating to the acquisition and installation of Tangible assets are capitalised. Subsequent expenditures related to an item of Fixed Asset are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance. Depreciation based on the estimated useful life of each asset as determined by the management and are in line with the useful lives specified by Schedule II to the Companies Act, 2013. Consequent to this, where



the Company has changed the estimate of useful life, the carrying amount of the asset as on April 1, 2014 is depreciated over the remaining useful life of the asset. Further where remaining useful life of an asset as on April 1, 2014 was Nil, the carrying amount of the asset after retaining the residual value has been recognised in the opening balance of retained earnings.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act, except for the following assets, which are being depreciated based on the managements estimate of the useful life of tangible fixed assets. In the case of buildings useful lives are lower than the lives as per Schedule II of the Act:

Block of Assets	Estimated life considered for depreciation	Estimated life as per Schedule 2 of Companies Act, 2013
<b>Building</b>		
- Office	58	60
- Factory	28	30
<b>Plant and Machinery</b>		
- Production Line	18	25
- Factory Equipment	9	25
- Lab Equipment	10	10

For plant and machinery involved in the production lines, based on internal technical evaluation, the management believes useful lives as given above best represent the period over which company expects to use these assets.

In accordance with transitional provision relating to depreciation as per Schedule II of the Companies Act, 2013 as mentioned above, the carrying amount of assets is not recognizable on one to one basis and considering the asset holding of the company the impact of the same is immaterial for year ended March 31, 2015 hence not recognised in the opening balance of retained earnings.

- ii. Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortized over their respective useful lives ranging between three years to seven years.
- iii. Loss arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- iv. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are classified under other current assets in financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

#### 1.9 Revenue Recognition

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

government by way of Duty Draw Back, which is recognized on receipt basis.

#### 1.10 Other Income

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

#### 1.11 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 11 advance licenses for duty free import of Raw Materials. Company has met the export obligation in full against 3 licences. In respect of other 3 Licenses export obligation has been partially met to the extent of \$751,041 and the remaining obligation is \$1,389,655 which is to be fulfilled by the December, 2015. Export obligation against the remaining 8 licenses is still pending and has time ranging from January, 2016 to July, 2016 to fulfil the obligation. The Liability to the company as on 31/03/2015, being customs duty concession availed, on this account is Rs.18,73,12,648 and applicable penalties.

##### 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 all the three licenses have been met in full by the company.

#### 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 has Defined Contribution Plans for Post-employment benefits in the form of Superannuation Fund for management employees and Provident Fund for non-management employees which is administered by Life Insurance Corporation / Regional Provident Fund Commissioner. In case of Superannuation Fund for management employees and Provident Fund for non-management employees, the Company has no further obligation beyond making the contributions. The Company's contribution to superannuation fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

### **Defined Benefit Plans**

Funded Plan: The Company has defined benefit plans for Post-employment benefits in the form of Gratuity for all employees, pension for management employees and Provident Fund for management employees which are administered through Company managed Trust/Life Insurance Corporation (LIC). Liability for above defined benefit plans is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method. 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**

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using tax rates and tax laws that have been enacted or substantively enacted as on Balance Sheet date. The company has worked out deferred tax asset as at 31st March, 2015. 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 Income Tax**

Income Tax: Current tax is measured at the amount

expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year. Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising from unabsorbed depreciation or carry forward of losses under tax laws are recognised only to the extent that there is virtual certainty of realization supported by convincing evidence. Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty of realization.

#### **1.19 Minimum Alternate Tax**

Minimum Alternate Tax ('MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### **1.20 Impairment of Asset**

The Company tests for impairments at the close of the accounting period if and only if there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value of an Asset, i.e. the net realizable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the asset the difference is provided for as impairment. However, if subsequently the position reverses and the recoverable amount becomes higher than the then carrying value the provision to the extent of the then difference is reversed, but not higher than the amount provided for.

#### **1.21 Provisions and Contingencies**

A provision is recognised when there is a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### **1.22 Job work and joint Management of Agartala unit**

RIL has entered into a contract manufacturing facility with a unit at Agratala, India and the financial statements presented include the operating results and also the statement of tangible assets created by the company at its cost at the CM facility and the business assets and liabilities arising out of the contract manufacturing activities, as on 31st March 2015.



**2. SHARE CAPITAL**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
<b>Authorised Capital</b> 7,00,00,000 Equity Shares of ₹ 5 each with voting rights	<b>3,500.00</b>	<b>3,500.00</b>
<b>Issued, Subscribed and Paid up Capital</b> 4,32,17,529 Equity Shares of ₹ 5 each with voting rights	<b>2,160.88</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, 2015		As at 31st March, 2014	
	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>

**Rights, Preferences and restrictions attached to 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 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, 2015, the amount of dividend per share recognised as distributions to equity shareholders is Re. 0.75 (31st March, 2014 - 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, 2015		As at 31st March, 2014	
	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	-	0.00%	73,16,608	16.93%
Minal Bharat Patel	68,35,571	15.82%	46,40,480	10.73%
Annie Guat Khuan Chew	48,72,932	11.28%	19,25,080	4.45%
Bharati Bharat Dattani	40,58,616	9.39%	18,63,525	4.31%
Bharat Jamnadas Dattani	34,00,000	7.87%	26,00,000	6.01%
Kerala State Industrial Development Corporation Ltd	27,36,000	6.33%	27,36,000	6.33%
Christopher Chong Meng Tak	26,44,918	6.12%	20,10,875	4.65%



**3. RESERVES & SURPLUS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
<b>General reserve</b>		
Opening balance	56.25	33.25
Add: Transferred from surplus in Statement of Profit and Loss	68.00	23.00
Less: Utilised / transferred during the year		-
Closing balance	<b>124.25</b>	<b>56.25</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	3,515.20	2,912.73
Add: Profit / (Loss) for the Current Year	1,358.84	928.85
Less: Dividend		
Dividend proposed to be distributed to Equity shareholders (0.75 paise per share)	324.13	259.31
Corporate Dividend Tax	66.00	44.07
Transferred to General Reserve	68.00	23.00
Closing Balance	<b>4,415.94</b>	<b>3,515.20</b>
<b>Total</b>	<b>4,540.19</b>	<b>3,571.45</b>

**4. LONG TERM PROVISIONS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Provision for Contingent Liabilities		
Sales Tax Liability	122.69	133.89
Financial Charges on disputed liabilities	35.24	26.43
Provision for Tripura Vat	32.82	-
Provision for unknown liabilities	60.00	-
<b>Total</b>	<b>240.75</b>	<b>160.32</b>
Other Provisions :		
Sales Tax Differential Payable	3.73	3.53
<b>Total</b>	<b>244.48</b>	<b>163.85</b>

**5. TRADE PAYABLE**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Trade payables	863.43	370.26
<b>Total</b>	<b>863.43</b>	<b>370.26</b>

For presenting the outstanding dues of micro and small enterprises, the company has initiated the process of obtaining confirmation from the suppliers who have registered under Micro / Small / Medium Enterprise Development Act, 2006 (MSMED Act) as on 31st March, 2015 no suppliers have furnished the information regarding their status under MSMED Act.

**NOTE 6. OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Statutory Dues Payable	46.16	15.47
Advances received from Customers	28.11	30.87
Provision for Expenses	51.55	42.23
Unpaid Dividend	34.82	28.28
Other Payables	2.62	1.62
<b>Total</b>	<b>163.26</b>	<b>118.46</b>

**7. SHORT TERM PROVISIONS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
<b>Provisions for Employee Benefits</b>		
Provision for Salary Arrears, Bonus & Production Incentive	84.66	15.64
Provision for Leave encashment	42.11	40.10
<b>Provision: Others</b>		
Provision for Taxation	696.20	290.00
Proposed Dividend	324.13	259.31
Provision for Tax on Proposed Dividend	66.00	44.07
<b>Total</b>	<b>1,213.10</b>	<b>649.12</b>

**FIXED ASSETS**

Particulars	Gross block						Accumulated depreciation			Net block	
	As at 1 April, 2014	Additions	Disposals	As at 31 March, 2015	As at 1 April, 2014	Depreciation for the year	Deductions	As at 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014	
	in ₹ Lakhs	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	749.15	123.44	-	872.59	177.43	25.63	-	203.06	669.53	571.72	
Plant & Equipment	5,939.23	226.73	36.74	6,129.22	3,900.41	234.90	33.87	4,101.44	2,027.78	2,038.82	
Furniture & Fixtures	27.55	0.91	-	28.46	18.43	2.05	-	20.48	7.98	9.12	
Vehicles	25.91	-	-	25.91	8.97	2.56	-	11.54	14.37	16.94	
Office Equipment	15.83	3.08	-	18.92	4.61	3.23	-	7.84	11.08	11.22	
Computer & Accessories	48.43	3.07	-	51.50	42.62	3.51	-	46.13	5.37	5.81	
	6,941.55	357.23	36.74	7,262.05	4,152.47	271.88	33.87	4,390.49	2,871.56	2,789.08	
<b>Intangible Assets</b>											
Computer Software	5.00	3.00	-	8.00	4.46	0.72	-	5.18	2.82	0.54	
	5.00	3.00	-	8.00	4.46	0.72	-	5.18	2.82	0.54	
<b>Total</b>	<b>6,946.55</b>	<b>360.23</b>	<b>36.74</b>	<b>7,270.05</b>	<b>4,156.93</b>	<b>272.60</b>	<b>33.87</b>	<b>4,395.67</b>	<b>2,874.38</b>	<b>2,789.62</b>	
<b>Previous year</b>	<b>5,639.50</b>	<b>1,479.75</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>2,789.62</b>	<b>1,634.66</b>	

**LONG TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
<b>Unsecured, Considered Good</b>		
Bank Guarantee	23.09	9.44
Security Deposits with various authorities	26.85	11.66
Abhisar Buildwell Pvt Limited	560.00	-
<b>Total</b>	<b>609.94</b>	<b>21.10</b>

**10. INVENTORIES**

(At Lower of cost and net realisable value)

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
(a) Raw Materials	613.98	162.93
(b) Work in Progress	63.55	91.22
(c) Stores & Spares	81.10	39.26
(d) Finished Goods (other than those acquired for trading)	226.96	81.98
<b>Total</b>	<b>985.59</b>	<b>375.39</b>

**11. TRADE RECEIVABLES**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Outstanding for a period exceeding six months from the date they were due for payment.		
Unsecured, Considered Good	12.89	0.80
Doubtful	10.49	32.18
<b>Total</b>	<b>23.38</b>	<b>32.98</b>
Others		
Unsecured, Considered Good	2,344.30	1,759.62
Doubtful	-	-
<b>Total</b>	<b>2,344.30</b>	<b>1,759.62</b>
<b>Total</b>	<b>2,367.68</b>	<b>1,792.60</b>
Less: Provision for doubtful Trade receivables	10.49	32.18
<b>Total</b>	<b>2,357.19</b>	<b>1,760.42</b>

**12. CASH & CASH EQUIVALENTS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
(a) Cash on hand	0.81	0.65
(b) Balances with Banks		
- In Current Accounts	170.43	441.51
- In Deposit Accounts	303.79	35.53
<b>Total</b>	<b>475.03</b>	<b>477.69</b>



**13. SHORT TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
<b>Loans and Advances to Employees</b>		
Unsecured, Considered Good	(0.51)	1.14
Prepaid Expense (Unsecured, considered good)	7.91	9.01
<b>Balances with Government Authorities</b>		
Unsecured, Considered Good		
CENVAT Credit Receivable	12.20	18.44
Service Tax Credit Receivable	4.39	2.03
VAT Credit Receivable (See note below)	618.18	585.36
Others	20.90	3.15
Advance Income Tax - paid through Cash	370.00	240.00
Advance Income Tax - MAT set off	237.83	
MAT Credit Entitlement	131.33	329.65
Income Tax paid / Deducted	13.33	14.70
<b>Inter Corporate Deposits</b>		
Secured, Considered Good	600.00	460.00
<b>Total</b>	<b>2,015.56</b>	<b>1,663.48</b>

**Details of VAT Credit Receivable :-**

Period	Status	As at 31st March, 2015	As at 31st March, 2014
		in ₹ Lakhs	in ₹ Lakhs
2005-06	Appellate order to be implemented	12.00	12.00
2007-08	CST Assessment completed	14.25	14.25
2008-09	Assessment Pending	43.12	43.12
2010-11	Assessment Pending	106.63	106.63
2011-12	Assessment Pending	104.49	104.49
2012-13	Assessment Pending	156.68	156.68
2013-14	Assessment Pending	148.19	148.19
2014-15	Tripura VAT	32.82	-
	<b>Total</b>	<b>618.18</b>	<b>585.36</b>

**14. OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Interest Accrued on Deposits	1.22	-
Interest Accrued on Inter Corporate Deposits	-	13.41
Advance to Suppliers	103.41	182.28
<b>Total</b>	<b>104.63</b>	<b>195.69</b>

**15. REVENUE FROM OPERATIONS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
(a) Sale of Products	16,905.93	13,132.80
(b) Other Operating Revenues	96.81	106.00
	<b>17,002.74</b>	<b>13,238.80</b>
(c) Less: Excise Duty	855.24	695.73
<b>Total</b>	<b>16,147.50</b>	<b>12,543.07</b>

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Sale of Products comprises Manufactured Goods	16,905.93	13,132.80
<b>Total</b>	<b>16,905.93</b>	<b>13,132.80</b>

**16. OTHER INCOME**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Interest Income		
On deposits with banks and other balances	26.11	5.11
On Intercorporate Deposits	69.93	116.96
Others	0.83	1.28
Rental Income from Operating Leases	-	2.89
Profit on sale of Fixed Assets	3.80	1.70
Miscellaneous Income	3.49	1.01
<b>Total</b>	<b>104.16</b>	<b>128.95</b>

**17. COST OF MATERIALS CONSUMED**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Opening Stock	243.66	199.46
Add: Purchases	11,904.14	9,508.42
	12,147.80	9,707.88
Less: Closing Stock	662.42	243.66
<b>Cost of Materials consumed</b>	<b>11,485.38</b>	<b>9,464.22</b>
Material consumed comprises:		
Latex / Chemicals / Packing Materials	11,485.38	9,464.22
<b>Total</b>	<b>11,485.38</b>	<b>9,464.22</b>

**18. CHANGES IN INVENTORIES IN FINISHED GOODS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Finished Goods at the end of the year	226.96	81.98
Finished Goods at the beginning of the year	81.98	68.21
<b>Total</b>	<b>(144.98)</b>	<b>(13.77)</b>

**19. EMPLOYEE BENEFIT EXPENSE**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Salaries & Wages	639.56	391.17
Contributions to Provident and Other funds	66.88	51.22
Staff Welfare Expense	40.33	24.43
<b>Total</b>	<b>746.77</b>	<b>466.82</b>

**20. FINANCE COST**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
(a) Interest Expense on		
- Interest on delayed payment of tax	8.60	4.93
- Bank Charges & Commission	0.75	2.74
- Provision on Disputed Liabilities	8.81	8.81
(b) Net (gain) / loss on Foreign currency transactions and translations (considered as Finance Cost)	(9.18)	(19.79)
<b>Total</b>	<b>8.98</b>	<b>(3.31)</b>

**21. OTHER EXPENSE**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Consumption of Stores & Spares	105.79	84.76
Power & Fuel	788.66	500.13
Effluent Treatment Expense	38.77	24.70
Rent including Lease Rentals	5.39	2.32
Repairs & Maintenance		
Building	51.19	-
Machinery	6.25	0.26
Others	95.57	50.95
Insurance	3.09	3.39
Rates & Taxes	29.80	15.31
Rubber Board Cess	82.18	71.04
Communication	8.14	6.26
Travelling & Conveyance	57.99	38.06
Printing & Stationery	6.16	4.76
Freight & Forwarding	322.87	150.02
Sales Commission	3.57	-
Sales Discount	24.43	25.42
Business Promotions	1.84	4.82
Donations & Contributions	0.28	0.52
CSR Expenses	21.02	-
Legal & Professional	37.81	32.03
Payment to Auditors	-	-
For Statutory audit	1.50	1.50
For Taxation Matters	0.25	0.25
For Company Law matters	0.10	0.10
For Management Services	0.90	0.60
Reimbursement of Expenses	2.22	0.92
Secretarial Expense	-	-
AGM Expense	14.22	2.64
List up Fee	2.34	1.95
Share Transfer Charges	3.26	3.14
Directors Sitting Fee	4.45	5.20
Dividend Distribution Expense	4.61	7.11
Job Work Charges	50.00	-
Provision for Bad and Doubtful Debts	-	-
Less: Bad Debts provided in the Previous year recovered	(21.66)	(20.50)
Prior Period Items	-	(3.48)
Provision for unknown Liabilities	60.00	-
Miscellaneous Expenses	68.10	39.12
<b>Total</b>	<b>1,801.89</b>	<b>1,859.98</b>



**22. EXCEPTIONAL ITEMS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Earlier Year Tax adjustments	39.95	-
<b>Total</b>	<b>39.95</b>	<b>-</b>

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

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
(a) Claim against the Company not acknowledged as debt:		
- Duty Draw Back	391.73	391.73
- Sales Tax Liability (see note below)	950.89	959.70
(b) Guarantees		
- Bank Guarantee with PNB	23.09	0.44
<b>Total</b>	<b>1365.71</b>	<b>1351.87</b>

The Company has provided ₹ 164.62 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.

**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	₹ 7.24
-do-	-do-	2003-04	₹ 167.16	₹ 0.81
-do-	-do-	2004-05	₹ 173.31	₹ 0.46
CST	-do-	2002-03	₹ 125.76	₹ 77.17
-do-	-do-	2003-04	₹ 145.61	₹ 44.26
-do-	-do-	2004-05	₹ 108.30	₹ 34.68
<b>TOTAL</b>			<b>₹ 1,115.51</b>	<b>₹ 164.62</b>

**24. VALUE OF IMPORTS CALCULATED ON CIF BASIS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Raw Materials	2,412.20	1,169.02
Capital Purchase	33.71	70.38
Spare Parts	6.21	6.43
<b>Total</b>	<b>2,452.12</b>	<b>1,245.83</b>

**25. ACTIVITY IN FOREIGN CURRENCY**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
<b>Earnings in Foreign Exchange:</b>		
Export of goods calculated on FOB basis	1,385.38	1,138.12
<b>Expenditure in Foreign Currency:</b>		
Sales Commission	2.32	0.62
Professional and Consultation Fee	-	4.63
Travelling Expenses	1.48	0.84
Other Matters	0.96	0.06
<b>Total</b>	<b>4.76</b>	<b>6.15</b>

**26. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS GOODS**

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	%	in ₹ Lakhs	%	in ₹ Lakhs
<b>Imported</b>				
Raw Materials	20.80%	2,412.20	12.09%	1,169.02
Spare Parts	1.82%	6.21	2.62%	6.43
<b>Total</b>		<b>2,418.41</b>		<b>1,175.45</b>
<b>Indigenous</b>				
Raw Materials	79.20%	9,186.22	87.91%	8,501.66
Spare Parts	98.18%	335.01	97.38%	239.16
<b>Total</b>		<b>9,521.23</b>		<b>8,740.83</b>

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

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Government Grants received by the company during the year towards Duty Draw Back. (Recognized under other Operating Revenues)	0.94	16.98
<b>Total</b>	<b>0.94</b>	<b>16.98</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 ₹ 45.39 lakhs (Year ended 31 March, 2014 ₹ 29.47 lakhs) for Provident Fund contributions and ₹ 2.08 lakhs (Year ended 31 March, 2014 ₹ 2.28 lakhs) 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, 2015 :**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	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	129.81	104.07
Interest Cost	10.38	8.33
Current Service Cost	7.46	7.29
Benefits paid	-	(0.60)
Actuarial (gain) / Loss on obligation	(8.30)	10.73
Present value of Obligation as at the end of the year	139.36	129.81
<b>3. Table showing changes in Fair Value of Plan Assets</b>		
Fair Value of Plan assets at the beginning of the year	138.82	111.93
Expected return of Plan assets	12.87	10.45
Contributions	13.62	17.03
Benefits paid	-	(0.60)
Actuarial (gain) / Loss on Plan assets	-	Nil
Fair Value of Plan assets at the end of the year	165.31	138.82
<b>4. Table showing fair value of Plan assets</b>		
Fair Value of Plan assets at the beginning of the year	138.82	111.93
Actual return on Plan assets	12.87	10.45
Contributions	13.62	17.03
Benefits paid	-	(0.60)
Fair Value of Plan assets at the end of the year	165.31	138.82
Funded Status	25.96	9.01
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. Actuarial (Gain) / Loss recognised</b>		
Actuarial (gain) / loss on obligations	-	(10.73)
Actuarial (gain) / Loss on Plan assets	-	Nil
Total Actuarial (gain) / loss for the year	(8.30)	10.73
<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	139.36	129.81
Fair Value of Plan assets at the end of the year	165.31	138.82
Funded Status	25.96	0.91
Net Asset / (Liability) recognised in the Balance Sheet	25.96	0.91
<b>7. Expenses recognised in the Statement of Profit &amp; Loss</b>		
Current Service Cost	7.46	7.29
Interest Cost	10.38	8.33
Expected Return on Plan assets	(12.87)	(10.45)
Net Actuarial (gain) / Loss recognised in the year	(8.30)	10.73
Expenses recognised in the Statement of Profit & Loss	(3.33)	15.89



## 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, 2015		As at 31st March, 2014	
	Assets	Revenues	Assets	Revenues
<b>Outside India</b>				
Asia	75.21	566.43	21.01	353.45
Europe	97.68	1,029.53	-	816.53
Africa	39.46	55.35	-	0.76
America	0.00	38.64	1.76	31.06
<b>Within India</b>	<b>2,184.30</b>	<b>15,215.98</b>	<b>1,737.65</b>	<b>11,930.99</b>

## 30. RELATED PARTY DISCLOSURE

### Details of Related Parties for the year 2014-15

<b>Directors</b>
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
<b>Key Management Personnel</b>
Mr. G. Krishna Kumar (Managing Director)
Mr. N.N. Parameswaran (CFO & CS)
<b>Other Related Party</b>
M/s Money Bee Advisors Pvt. Ltd.

### Details of Related Party Transactions during the year ended 31st March, 2015:

	Promoters / Associates	Key Management Personnel	Total
Directors Sitting Fee	<b>4.45</b>		<b>4.45</b>
	<i>5.20</i>		<i>5.20</i>
Technical Consultancy Services	<b>19.27</b>		<b>19.27</b>
	<i>10.43</i>		<i>10.43</i>
Remuneration		<b>83.97</b>	<b>83.97</b>
		<i>63.59</i>	<i>63.59</i>
Note :- Figures in Italics relates to Previous year			

### 31. LEASE

As Lessor : 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.

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
Lease rent	-	2.89

### 32. EARNING PER SHARE

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
<b>Earnings per Share of ₹ 5 each</b>		
Weighted Average No. of Equity Shares Basic & Diluted	43217529	43217529
Net Profit for the year (₹ lakhs)	1,358.87	928.85
Basic EPS (after extraordinary items) (₹)	<b>3.14</b>	<b>2.15</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.

### 33. DEFERRED TAX CALCULATION

Particulars	As at 31st March, 2015	As at 31st March, 2014
	in ₹ Lakhs	in ₹ Lakhs
<b>Deferred Tax Liability</b>		
Fixed Asset	337.95	326.79
<b>Total</b>	<b>337.95</b>	<b>326.79</b>
<b>Deferred Tax Asset</b>		
Leave Encashment Liability	14.31	13.01
Provision for Doubtful debts	3.57	10.44
Sales Tax Liability	1.26	1.95
Provision for Contingent Liability	81.83	52.02
Unabsorbed Depreciation c/f	-	-
<b>Total</b>	<b>100.97</b>	<b>77.42</b>
<b>Net deferred tax (liability) / asset</b>	<b>(236.98)</b>	<b>(249.37)</b>
<b>Deferred tax (expense) / Income</b>	<b>(12.40)</b>	<b>251.69</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, 2014	Additions	Reversal	As at 31st March, 2015
	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs
Sales Tax	<b>133.89</b> <i>133.89</i>	- -	<b>21.20</b> -	<b>112.69</b> <i>133.89</i>
Financial Charges on Disputed Liabilities	<b>26.43</b> <i>26.02</i>	<b>8.81</b> <i>8.81</i>	- <i>8.40</i>	<b>35.24</b> <i>26.43</i>
Provision for Expenses - Tripura VAT	-	<b>32.82</b>	-	<b>32.82</b>
Provision for Unforeseen Liabilities	-	<b>60.00</b>	-	<b>60.00</b>
	-	-	-	-
<b>Total</b>	<b>160.32</b> <i>159.91</i>	<b>101.63</b> <i>8.81</i>	<b>21.20</b> <i>8.40</i>	<b>240.75</b> <i>160.32</i>

Note :- Figures in Italics relates to Previous year

**35. COMPARATIVES**

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

**For Mohan & Mohan Associates**  
Chartered Accountants

**R. Suresh Mohan**  
Partner  
Membership No : 13398  
Firm No : 020925

Place : Thiruvananthapuram  
Date : 29th May, 2015

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

**Bharat J Patel**  
Chairman  
DIN 01100361

**N.N. Parameswaran**  
Chief Finance Officer & Company Secretary

Place : Mumbai  
Date : 29th May, 2015

**G.Krishna Kumar**  
Managing Director  
DIN 01450683







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**International Limited**

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