

# **THE RUBBER PRODUCTS LIMITED**

## **47th Annual Report 2012-2013**

### **BOARD OF DIRECTORS**

Smita H. Shetty - Chairperson  
Sameer S. Shetty - Vice-Chairman  
Sucharita R. Hegde  
Laxman S. Shetty  
F. S. Broacha  
Ashok Shetty

### **COMPANY SECRETARY**

Mangal Katakdhond

### **BOARD COMMITTEES:**

#### **AUDIT COMMITTEE**

Ashok Shetty  
F. S. Broacha  
Sucharita R. Hegde

### **SHARE TRANSFER CUM SHAREHOLDERS/**

#### **INVESTORS GRIEVANCE COMMITTEE**

Sucharita R. Hegde  
Sameer S. Shetty  
Laxman S. Shetty

### **REMUNERATION COMMITTEE**

Ashok Shetty  
F. S. Broacha  
Laxman Shetty

### **AUDITORS**

M/s J. R. Jain & Co.  
Chartered Accountants, Mumbai

### **BANKERS**

State Bank of India

### **REGISTERED OFFICE & PLANT**

Plot No. C-44, Road No. 28,  
Wagle Industrial Estate,  
Thane (W) - 400 604  
Maharashtra, India.  
Tel: +91 22 25822551/2/3  
Fax: +91 22 25820876/25824093  
E-mail: rpl@rubpro.com

### **REGISTRAR & SHARE TRANSFER AGENT**

M/s Adroit Corporate Services Pvt. Ltd.  
19/20, Jaferbhoy Industrial Estate,  
1st Floor, Makwana Road, Marol Naka,  
Mumbai 400 069  
Tel: +91 22 28594060/28596060  
Fax: +91 22 28503748  
E-mail: adroits@vsnl.net

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**NOTICE**

NOTICE is hereby given that the 47th Annual General Meeting of the members of THE RUBBER PRODUCTS LIMITED will be held on Friday, 27th September, 2013 at 3:00 PM at the Registered office of the Company situated at Plot No. C – 44, Road No. 28, Wagle Industrial Estate, Thane (West) 400 604 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended as on that date along with the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. F. S. Broacha, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Shetty, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Thane, 05th August, 2013  
Registered Office: Plot No. C-44, Road No. 28,  
Wagle Industrial Estate, Thane (W) 400604

By Order of the Board of Directors  
Mangal Katakdhond  
Company Secretary

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST REACH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY, SO APPOINTED, SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Register of Members and Share Transfer books will remain closed from Friday, 20th September, 2013 to Friday, 27th September, 2013 (both days inclusive).
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
4. Members/Proxies are requested to bring their Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.
5. All investor related communication may be sent to M/s Adroit Corporate Services Private Limited at their following address:  
19/20, Jaferbhoy Industrial Estate, 1st floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400 069 Tel: +91-22-28594060/28594442/28590942  
Fax: +91-22-28503748 E-mail: adroits@vsnl.net

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

Name of the Director	Mr. F. S. Broacha	Mr. Ashok Shetty
Age (years)	75 years	50 Years
Name of the Director	Mr. F. S. Broacha has been a director of the Company since 1994. He retires by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as a Director of the Company.	Mr. Ashok Shetty was appointed as Additional Director on 29th May, 2004. He was appointed as a Director of the Company at the AGM held on 24th September, 2004. He retires by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as a Director of the Company.
Nature of expertise in specific functional areas	Mr. F. S. Broacha is a Practising Advocate specializing in Corporate Law.	Mr. Ashok Shetty is a fellow member of ICAI and the proprietor of M.A.S. & Co., Bangalore, a Chartered Accountants firm.
Qualification	LLM	B.Com & C.A.
Directorship held in other companies	Haldyn Glass Ltd. Haldyn Glass (Gujarat) Ltd. Fouress Engineering (India) Ltd.	N.A.
No. of shares held	Nil	Nil

**DIRECTORS' REPORT****Dear Shareholders,**

Your Directors are pleased to present the 47th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2013.

**FINANCIAL PERFORMANCE & REVIEW OF OPERATIONS:**

The Company's sales revenue during the year under review was Rs. 1789.74 lacs as compared to 1578.82 lacs in the previous year. The Company has incurred loss in the Financial Year 2012-2013 of Rs. 17.95 lacs. The export turnover of your Company during the financial year was Rs. 448.82 lacs compared to Rs. 417.44 lacs in the previous year.

**FINANCIAL RESULTS**

(Rs. in Lacs)

	For the year ended	
	31.03.2013	31.03.2012
Sales	1789.74	1578.82
Profit/ (Loss) before taxation	(27.51)	(112.11)
Less: Provision for Tax		
(i) Earlier year Taxation	-	(2.20)
(ii) Deferred Taxation	(9.57)	(8.55)
Profit/(Loss) after tax	(17.95)	(101.35)
Balance brought forward from previous year	(489.00)	(387.65)
Balance carried to Balance Sheet	(506.95)	(489.00)

**FACTORS AFFECTING THE COMPANY'S AFFAIRS:**

During the year under review, your Company has achieved a turnover of Rs. 17.89 Crores as against Rs.15.78 Crores in the previous year. Your Company has put in efforts to go the extra mile in ensuring higher productivity and quality which helped out to increase sales and reduce the loss for the financial year 2012-13.

During the financial year, the Company registered increase sales in all the customer segments i.e. domestic, retail and export. The company is yet to fully recover from the effects of strike occurred in 2011 where several customers had migrated during that period thereby indirectly affecting the sales of the financial year 2012-13. Highly competitive environment and high cost of raw material have also affected the company's growth and profitability. Today the company is focusing on quality products with timely dispatches of goods.

**REVIEW OF OPERATION:**

A detailed review of the operations, performance and outlook of the Company and its business is given in the Management's Discussion and Analysis Report, which forms part of this Annual Report.

**MERGER OF COSMOS (INDIA) RUBBER WORKS LIMITED:**

Proposal of Merger of Cosmos (India) Rubber Works Private Limited (COSMOS) with your Company is under consideration of BIFR.

**DIVIDEND:**

In view of the loss incurred during the year under review, your Directors are not in a position to recommend any dividend for the year 2012-13.

**REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO:**

Information in accordance with provisions of Section 217(1) (e) of the Companies Act, 1956, regarding Conservation of Energy, Technology Absorption, Research & Development, Foreign Exchange Earning and Outgo is attached as **Annexure I** to this report.

**PARTICULARS OF EMPLOYEES:**

During the year under review, no employee of your Company was in receipt of remuneration in excess of the limits i.e. Rs.5,00,000/- p.m. or Rs.60,00,000/- p.a. prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 2011.

None of the employees holds 2% or more of the equity shares of the Company.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

**CORPORATE GOVERNANCE:**

A report on Corporate Governance is attached as **Annexure II** to this report.

**PUBLIC DEPOSITS:**

Your Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956 during the financial year under review.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Management Discussion & Analysis Report is attached as **Annexure III** to this report.

**AUDITORS' REPORT :**

The observations made in the Auditors' Report read with the Notes forming part of Accounts are self-explanatory.

**DIRECTORS:**

Mr. F. S. Broacha and Mr. Ashok Shetty are liable to retire by rotation and are eligible to be re-appointed at the Annual General Meeting.

Except for the above, there has not been any change in the constitution of the Board of Directors of the Company since the last report.

**AUDITORS:**

M/s J. R. Jain & Co., Chartered Accountants, the statutory auditors to the Company, retire at the 47th Annual General Meeting and being eligible, offer themselves for re-appointment. The Members are requested to appoint them as Auditors of the Company.

**ACKNOWLEDGEMENT:**

The Directors wish to place on record their appreciation of the continued co-operation the Company has received from various departments of the Central and State Government, Bankers, Financial Institutions, Auditors, Dealers and Suppliers and also acknowledge the contribution made by the employees and workers.

The Directors also wish to place on record their gratitude to the valued Customers, Members and investing Public for their continued support and confidence reposed in the Company.

For and on behalf of the Board of Directors

**Mrs. Smita Shetty**  
Chairperson

Thane, 05th August, 2013

**ANNEXURE I TO DIRECTORS REPORT**

**REPORT ON CONSERVATION OF ENERGY, R&D AND TECHNOLOGY ABSORPTION**

**A. CONSERVATION OF ENERGY**

The Company continues to accord priority to energy conservation. Consistent efforts are being made for identifying the potential areas for energy saving. The Company continues to pursue energy optimization by means of improved operational methods.

**B. TECHNOLOGY ABSORPTION**

**I) RESEARCH AND DEVELOPMENT (R&D):**

1. Specific areas in which R & D carried out by the Company:  
Research & Development Department of the Company continued to provide valuable support for improvement in quality of existing products, development of new products and process for better productivity, quality and cost effectiveness.

2. Benefits derived as a result of the above R&D

- Improvement of quality/process/productivity
- Global acceptance of the products
- Reduction in production time
- Reduction in cost of the product
- Reduction in raw material consumption

3. Future plan of action: The Company has planned to upgrade its existing plant and machinery and technologies to improve quality of the existing products acceptable to the international community with economical price.

**4. Expenditure on R & D**

(Rs. in Lacs)

Particulars	2012-13	2011-12
Capital	0.00	0.00
Recurring	1.88	1.69
Employee Remuneration	11.54	10.21
Total	13.42	11.90

Total R & D expenditure as a percentage of total turnover is 0.75 %.

**II) TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION:**

The Company is continuously taking steps to upgrade the technology from time to time to improve the existing products and develop new products with the object of providing economical and quality products to its customers.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has taken continuous efforts to increase its export turnover by exploration and development of new export market for its product.

The foreign Exchange earnings during the current year are Rs. 453.95 Lacs compared to Rs. 424.94 Lacs during the previous year.

The foreign Exchange outgo during the current year is Nil compared to Rs.59.39 Lacs during the previous year.

## ANNEXURE II TO THE DIRECTORS REPORT REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Governance

Your Company believes in practicing good Corporate Governance, attaining maximum level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholder's viz. shareholders, employees, customers, Government, bankers, society and other statutory authorities. The Company is committed to achieve and maintain the highest standards of Corporate Governance.

### 2. Board of Directors

The Board of Directors of the Company ("the Board") consists of six (6) directors, viz three (3) Non-executive Directors and three (3) Non-executive Independent Directors.

During the financial year ended 31st March, 2013, Five (5) Board meetings were held on 30th May, 2012, 16th August, 2012, 09th November, 2012 and 30th January, 2013 and 04th February, 2013. The maximum time period between two consecutive Board meetings was not more than four months.

The details of composition and category of the Board, attendance at the Board Meetings held during the year and last Annual General Meeting, other Board and Committee positions held is as follows:

Name of the Directors	Category	Board Meeting		Attend- ance at AGM held on 21- 09-2012	Companies other than RPL	
		Held during their tenure	Attended		No. of other director- ships held	No. of Membership in Committees of other Companies
Mrs. Smita H. Shetty	Chairperson & Non-Executive Director	5	2	Yes	3	-
Mr. Sameer S. Shetty	Vice-Chairman Non-Executive Director	5	1	No	3	-
Mrs. Sucharita R. Hegde	Non-Executive Director	5	5	Yes	3	-
Mr. Laxman S. Shetty	Non-Executive Independent Director	5	5	Yes	-	-
Mr. F. S. Broacha	Non-Executive Independent Director	5	3	Yes	3	4 (Chairman in 1 committee)
Mr. Ashok Shetty	Non-Executive Independent Director	5	4	Yes	-	-

### Directors Profile:

Brief resume of the Directors liable to retire by rotation and eligible for re-appointment is given below:

- a) **Mr. F. S. Broacha** is a director of the Company since 1994. He is liable to retire by rotation at the 47th Annual General Meeting and being eligible offers himself for re-appointment. He is a LLM with specialization in Corporate Law. He is a Practicing Advocate. He holds directorships in 3 other companies. He does not hold any shares in the Company.
- b) **Mr. Ashok Shetty** is a Director of the Company since May, 2004 and is the Non-Executive Chairman of the Audit Committee. He is liable to retire by rotation at the 47th Annual General Meeting and being eligible offers himself for re-appointment. He is a B.Com and C.A. He is proprietor of M.A.S. & Co., a Chartered Accountants firm. He does not hold any other directorship. He does not hold any shares in the Company.

### Code of Conduct for Directors and Senior Management Executives

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management have affirmed their compliance with the code of conduct. A declaration to this effect, signed by Mrs. Smita H. Shetty, Chairperson of the Company is contained in the Annual Report.

### 3. Audit Committee

#### Terms of Reference

The Audit Committee reviews the Company's financial reporting process, the disclosure of its financial information in the annual financial statements, the quarterly financial statements, performance of statutory and internal auditors, adequacy of internal controls, the findings of any internal investigations by the internal auditors and any related party transactions. The Chairman of the Audit Committee appraises the Board about the observations of the Audit Committee and the minutes of the Committee are noted by the Board.

#### Composition

The composition of the Committee and attendance at its Meetings is as follows:

Name	Designation & Category	Meetings	
		Held during their tenure	Attended
Mr. Ashok Shetty	Chairman & Non-Executive Independent Director	4	4
Mr. F. S. Broacha	Member & Non-Executive Independent Director	4	2
Mrs. Sucharita R. Hegde	Member & Non- Executive Director	4	4

#### 4. Remuneration Committee

##### Terms of Reference

The Remuneration Committee determines the remuneration package of the Executive Directors taking into consideration the financial position of the Company, industry trends, experience, past remuneration, educational qualification of the Director.

##### Composition

Mr. Ashok Shetty - Chairman & Independent Director  
Mr. F. S. Broacha - Independent Director  
Mr. Laxman Shetty - Independent Director

As there was no appointment/re-appointment of Executive Directors during the financial year 2012-13, the Committee meeting was not convened.

##### Details of remuneration paid during the year

###### a) Non-Executive Directors

The Non-Executive Directors were paid sitting fees @ Rs. 2,000/- for each Board and Audit Committee meeting attended. The details of payment of the sitting fees made during the year are as follows:

Name of the Director	Sitting fees (Rs.)
Mrs. Smita H. Shetty	0**
Mr. Sameer S. Shetty	-
Mrs. Sucharita R. Hegde	0**
Mr. Laxman S. Shetty	6,000
Mr. F.S. Broacha	4,000
Mr. Ashok Shetty	12,000

\*\* Mrs. Smita H. Shetty and Mrs. Sucharita R. Hegde, Directors of the Company have given letters to Company that until otherwise instructed by them, they waive their rights to receive the sitting fees for all Board and Committee meetings attended by them.

The Company has complied with the requirements of the non-mandatory clauses of Clause 49 to the extent of the Remuneration Committee.

#### 5. Share Transfer cum Shareholders/Investors Grievance Committee

##### Terms of Reference

The functions and powers of the Committee include approval and rejection of transfer or transmission of equity and preference shares, bonds, debentures and securities, issue of duplicate certificates, allotment of shares and securities issued from time to time, including those under stock options, review and redressal of shareholders' and investors' complaints.

##### Composition

The composition of the Committee and attendance at its Meetings is as follows:

Name	Designation & Category	Meetings	
		Held during their tenure	Attended
Mrs. Sucharita R. Hegde	Chairperson & Non-Executive Director	7	7
Mr. Sameer S. Shetty	Member & Non- Executive Director	7	0
Mr. Laxman S. Shetty	Member & Non-Executive Director	7	7

Ms. Mangal Katakdhond is the Company Secretary and the Compliance Officer of the Company.

The Committee met 7 times during the year ended 31st March, 2013.

During the financial year 2012-2013, one (1) shareholder's complaint was received and was processed and redressed to its satisfaction.

There were no pending complaints as on 31st March, 2013.

#### 6. General Body Meetings

The details of the Annual General Meetings (AGM) held during the last 3 years are as under:

Annual General Meeting	Day, Date	Time	Venue
44th AGM 2009-10	Wednesday 15th September, 2010	3.00 p.m.	Registered Office: Plot C-44, Road No. 28, Wagle Industrial Estate, Thane 400 604
45th AGM 2010-11	Tuesday 27th September, 2011	3.00 p.m.	
46th AGM 2011-12	Friday 21st September, 2012	3.00 p.m.	

No Special Resolution was passed in the previous three AGMs.

One Extra-ordinary General Meeting was held during the financial year 2012-13.

Postal Ballot

No resolution was passed by Postal Ballot during the financial year.

#### 7. Disclosure

##### a) Related Party Transactions

The related party transactions have been mentioned under Schedule 'N' Notes to Accounts. There are no materially significant transactions with related parties that have potential conflicts with the interest of the Company at large.

##### b) Non-Compliances

The Company has failed to comply with certain clauses of Listing Agreement stipulating filing of certain disclosure (Quarterly / Half yearly) with BSE within statutory time period. However the Company has filed the said disclosures promptly upon receipt of Show Cause Notice / Notices for Discrepancies of the BSE.

There were no penalties or strictures imposed on the Company by any stock exchange, or any other statutory authority, on any matter relating to capital markets during year.

##### c) Access to Audit Committee

No person has been denied access to the Audit Committee for reporting any suspected fraud or irregularity or failure of internal control systems of a material nature.

**d) CEO/CFO Certificate**

The Deputy General Manager of Finance of the Company has certified on financial reporting and internal controls to the Board in terms of Clause 49.

The Company submits to the Stock Exchange on a quarterly basis, a Certificate given by Compliance Officer regarding compliance of Clause 49. The Company has not adopted the non-mandatory requirements (except for the Remuneration Committee) as specified in Annexure ID of Clause 49 of the Listing Agreement.

**8. Means of Communication**

The Quarterly Un-audited Financial Results are published in The Business Standard and Satyawarta. The official news releases are also available on the BSE website i.e. www.bseindia.com. The Annual Report which gives the Audited Financial Statements is sent to all the shareholders along with the Notice of AGM every year. The Management's Discussion & Analysis forms part of the Annual Report.

**9. General Shareholder Information**

Annual General Meeting

47th Annual General Meeting of the Company is scheduled to be held on Friday, 27th September, 2013 at 03.00 p.m. at Plot No. C-44, Road No. 28, Wagle Industrial Estate, Thane 400 604.

**Financial Calendar for Board Meetings & AGM (tentative)**

Financial year	1st April to 31st March
Quarter ending 30th June, 2013	Last week of July, 2013
Quarter ending 30th September, 2013	First week of November, 2013
Quarter ending 31st December, 2013	First week of February, 2014
Quarter ending 31st March, 2013	Last week of May, 2014 (Audited Results)
Annual General Meeting	September 2014

Book Closure dates

Friday 20th September, 2013 to Friday 27th September, 2013 (both days inclusive) for the 47th Annual General Meeting.

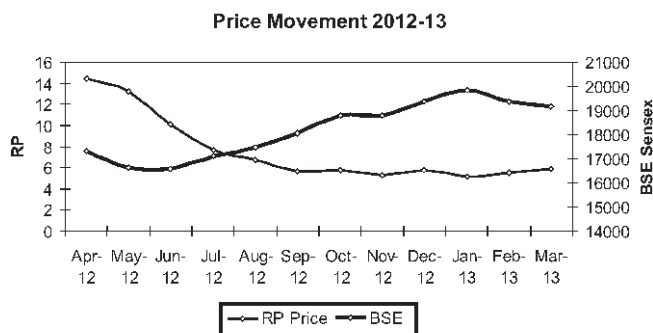
Listing on Stock Exchanges

The shares of the Company are listed on the Bombay Stock Exchange Ltd. (BSE). Annual Listing Fees for the year 2012-13 has been paid by the Company.

Stock Code : 526496

Script ID : RUBBERPR

**Market Price Information during the financial year 2012-13**



Month	Share Price (BSE)		Volume (in shares)
	High Price	Low Price	
April 2012	14.56	14.27	60
May 2012	13.56	12.89	38
June 2012	12.25	9.15	772
July 2012	9.04	6.43	7602
August 2012	7.08	6.36	8255
September 2012	6.2	5.15	5229
October 2012	6.51	5.16	7246
November 2012	5.51	5	2479
December 2012	6.1	5.36	103119
January 2013	5.51	4.91	11506
February 2013	6	5.05	4147
March 2013	6.4	5.34	4562

**Registrar and Transfer Agents (RTA)**

M/s Adroit Corporate Services Private Limited is Registrar and Transfer Agent for the Company. Investor related queries May be directed to Mr.

Ganesh Salian at the following address:

M/s Adroit Corporate Services Private Limited

19/20, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road,

Marol Naka, Mumbai – 400 069

Tel: 91-22-28594060/6060

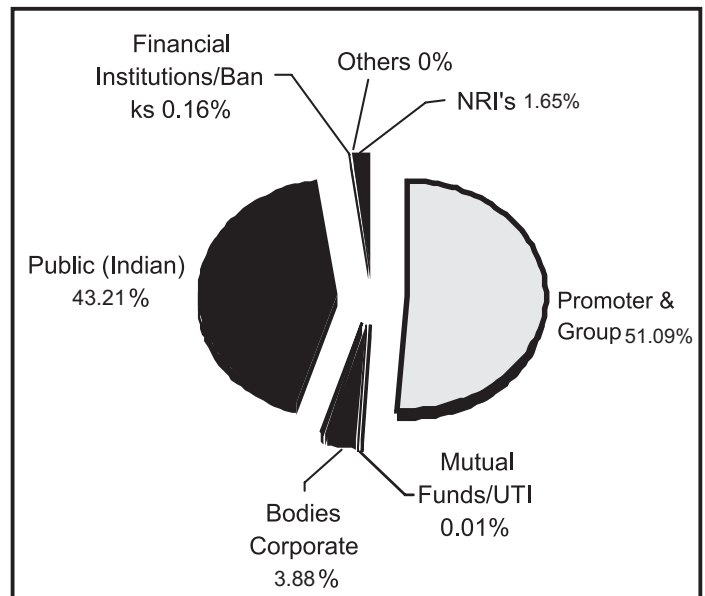
Fax: 91-22-28503748

E-mail: adroits@vsnl.net

**Share Transfer System**

The Company's investor services are handled by M/s Adroit Corporate Services Private Limited in physical and dematerialized form. Physical share transfers are registered and returned within thirty days from the date of receipt, if the documents are correct and valid in all respects. The Company had 3222 shareholders as on 31st March, 2013.

Shareholding Pattern of the Company as on 31st March, 2013 is as follows:



Category of Shareholder	No. of shares held	% holding
Promoter & Promoter Group	2088901	51.09
Institution		
I) Mutual Fund/ UTI	300	0.01
ii) Financial Institution/ Bank	6600	0.16
Non-Institution		
i) Bodies Corporate	300	0.01
ii) Public (Indian)	6600	0.16
NRI's	67398	1.65
Others	00	0.00
<b>Total</b>	<b>4088400</b>	<b>100</b>

Distribution of Shareholding of the Company as on 31st March, 2013 s as follows:

Range – Shares	No. of Shareholders	%age	No. of Shares	%age
Upto – 100	665	20.63	53106	1.30
101 – 500	2198	68.18	570224	13.95
501 - 1000	211	6.54	180578	4.42
1001 - 2000	69	2.14	110052	2.69
2001 - 3000	19	0.59	48272	1.18
3001 - 4000	18	0.56	65605	1.60
4001 - 5000	8	0.25	38040	0.93
5001 -10000	11	0.34	83513	2.04
10001 -20000	10	0.31	122496	3.00
20001-50000	3	0.09	106059	2.59
50001 & Above	12	0.37	2710455	66.30

#### Dematerialization of Shares and Liquidity

86.50 % of the Company's share capital listed on the Stock Exchange has been dematerialized up to 31st March, 2013 (86.18% upto to 31st March, 2012). Keeping in view the present trend and the green initiative by Ministry of Corporate Affairs, the Company has been encouraging dematerialisation of securities because of the inherent benefits of holding securities in electronic mode.

#### Unpaid Dividends

Unpaid dividend account for dividend declared in 2001-02 has been closed and the amount remaining unpaid has been transferred to Investor Education & Protection Fund. There are no other amounts remaining in Unpaid dividend account.

#### Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

The Company has neither issued any GDR/ADR nor any convertible instrument as on date.

#### Plant location

Plot No. C-44, Road No. 28,  
Wagle Industrial Estate,  
Thane (W) – 400 604  
Maharashtra

#### Address for correspondence

Shareholders are requested to address their correspondence to the following address:

Compliance Officer  
The Rubber Products Limited  
Plot No. C-44, Road No. 28,  
Wagle Industrial Estate,  
Thane (W) – 400 604  
Maharashtra  
Tel. No.: 91-22-25822551/2/3  
Fax: 91-22-25820876, 25824093, 25822581  
E-mail: rpl@rubpro.com

Shareholders/Investors are requested to send their queries/complaints to investors@rubpro.com which is exclusively created for shareholder correspondence and investor grievances. Shareholders holding shares in electronic form should address all their correspondence regarding change of address, bank particulars etc. to their respective Depository Participants (DPs) only.

On behalf of the Board of Directors

Smita H. Shetty  
Chairperson

Thane, 05th August, 2013



**DECLARATION-CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the members of the Board and the Senior Management Executives, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives for the Financial Year 2012-2013

**For THE RUBBER PRODUCTS LIMITED**

**Smita H. Shetty**  
**Chairperson**

**Thane, 05th August, 2013**

**CERTIFICATE OF PRACTICING COMPANY SECRETARY  
ON CORPORATE GOVERNANCE**

**To,**  
**The Members of THE RUBBER PRODUCTS LIMITED**

I have examined the compliance of conditions of Corporate Governance by THE RUBBER PRODUCTS LTD., Thane for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

I state that in respect of investor grievances received during the year ended 31st March, 2013, no investor grievance is pending for the period exceeding one month against the Company as per the records maintained by the Company and the details of which are presented to the Audit Committee meetings.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of my review and according to the information and explanation given to me, the conditions of the 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 Ashwini Vaze & Associates**  
**Company Secretaries**

**Ashwini Vaze**  
**(Proprietor)**  
**(Membership No-26142)**  
**(CP No-9443)**

**Thane, 29th May, 2013**

**ANNEXURE III TO DIRECTORS REPORT  
MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**1. ECONOMIC OVERVIEW**

Economic growth rate slowed to around 5.0% for the 2012–13 fiscal year compared with 6.2% in the previous fiscal. It is to be noted that India's GDP grew by an astounding 9.3% in 2010–11. Thus, the growth rate has nearly halved in just three years. GDP growth went up marginally to 4.8% during the quarter through March 2013, from about 4.7% in the previous quarter. While, the Prime Minister's Economic Advisory Panel expects the economic growth rate to increase to 6.4 per cent in 2013-14 from 5 per cent during 2012-13, on back of improvement in performance of agriculture and manufacturing sectors.

**2. INDUSTRY STRUCTURE AND DEVELOPMENT**

The rubber industry globally is keen to continue its economic prosperity, as it links several major elements of the economy and covers employment, investment, research and innovation. The future viability of the rubber industry is dependent on how well the industry fulfils the requirement and progresses towards sustainability. In order to achieve sustainable development and eventual sustainability, all players in the industry – from smallholders, estates, processors, manufacturers and government agencies (including regulators) will have to play their role proactively at the individual and at the industrial stage.

India is one of the leading rubber producers in the world. The Rubber Industry is highly labour and energy intensive. The Indian Rubber Industry comprises about 450 / 500 large / medium scale units and nearly 5500 Small and Tiny units.

The rubber industry is one of the key sectors of the Indian economy. India is the fourth largest producer of natural rubber. With its large population base, India is emerging as a large market for rubber products and with the opening up of the economy; import of rubber products has also been increasing in recent years.

**3. OPPORTUNITIES AND THREATS**

Indian rubber industry has been growing in along with the strength and importance, as a part of India's burgeoning role in the global economy. The export share of Indian natural rubber has increased tremendously over the years.

The Company has improved its sales during the financial year under review both in domestic as well as export sales. The Company is exploring other opportunities for exports. In the financial year 2013-14, your company expects that the sales would be increased in terms of both domestic and export markets. By efficiently utilising its resources in production of high yielding products, the Company effectively exercises cost control. With the help of external and in house rubber technologists, your company continuously conducts research and tests to ensure consistent good quality products. Also, with constant monitoring of product parameters and testing in fully equipped laboratories, the Company maintains quality of its products and ensures customer satisfaction.

**4. OUTLOOK FOR THE COMPANY**

The Company is consistently focusing on specialization of high value products in order to be ahead of the international competition. During the year, the company received high value orders from various foreign countries and it would help to the Company to bring growth in future for export market. The company is seriously taking effort to manage customer satisfaction towards domestic and international market by maintaining improved quality products and timely dispatches which would play a vital role to increase the sales of the Company.

**5. INTERNAL CONTROL SYSTEM**

The Company has a proper and adequate system of internal control to ensure that all assets of the Company are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The Company has a comprehensive internal audit manual, which is strictly adhered to for carrying out internal audits. A summary of audit observations and action taken by the management are placed before and discussed at the Audit Committee Meeting. The suggestions and directions of the Audit Committee are recorded and action taken accordingly.

**6. FINANCIAL & OPERATIONAL PERFORMANCE**

During the financial year 2012-13, the turn over of the Company was Rs. 1789.74 lacs as compared to Rs. 1578.82 lacs in the previous year. The export turnover of your Company during the financial year was Rs. 448.82 lacs.

**7. HUMAN RESOURCE/INDUSTRIAL RELATION**

A dynamic global business scenario requires continuous learning and upgrading of skills in order to retain the competitive edge. Skill building through acquiring products knowledge, optimum utilization of existing resources and conducting training programmes by professionals are some of the initiative undertaken. The Company also takes adequate steps for in-house training of employees and maintaining safety and healthy environment for workers within the factory premises.

**8. CAUTIONARY STATEMENT**

Statement in this report may contain certain statements that might appear to be forward looking. However, these statements are subject to certain risks and uncertainties. The end results accomplished might differ materially from those expressed in these statements as the operations of the Company could have the impact of raw material availability and prices, Government policies, economic development within and outside India and other incidental factors.

**CERTIFICATE BY DEPUTY GENERAL MANAGER OF ACCOUNT & FINANCE**

02nd August, 2013

To,

**The Board of Directors**

**The Rubber Products Limited**

**Plot No. C-44, Road No. 28**

**Wagle Industrial Estate**

**Thane-400604**

I, Yogesh Vijaywargiya, DGM Account & Finance of The Rubber Products Limited hereby certify to the Board that

- a) I have reviewed the financial statements and cash flow statement for the Financial year ending 31st March, 2013 and that to the best of my knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (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 my knowledge and belief, no transactions entered into by the Company during the financial year which are fraud, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, that there are no deficiencies in the design or operation of the internal controls, of which I am aware of.
- d) There have been no significant changes in internal controls during the financial year, nor have there been any significant changes in the Accounting policies during the quarter ended 31st March, 2013 which requires to be disclosed in the notes to the financial statements.
- e) There have been no instances of fraud, of which I am aware, for the financial year ended 31st March, 2013.
- f) The instance of fraud reported during year ended 31st March, 2013 is under investigation as the Company has filed a criminal complaint against supplier and some of its employees.

**Yogesh Vijaywargiya**  
**DGM Account & Finance**

## AUDITOR'S REPORT

**To the Members of THE RUBBER PRODUCTS LIMITED  
Report on the Financial Statements**

We have audited the accompanying financial statements of THE RUBBER PRODUCTS LIMITED as at 31st March, 2013, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall 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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to NOTE-3 regarding provision of excise/ custom duty, Note

**No:4 on valuation of Raw materials ,Note 7 regarding dues from 'COSMOS India Rubber Work Ltd' & 'BIFR' matter , NOTE -9 regarding Sundry Debtors including non provision for doubtful debts, Note No .11 on provision for gratuity and read together with other notes Note 1),** the 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss 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 & Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

**2. As required by section 227(3) of the Act, we report that:**

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For J.R. JAIN & Co.  
**Chartered Accountants**  
FRN:103915W  
J.P. JAIN  
**(PARTNER)**  
Membership No. :7293

Mumbai, 29th May, 2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **THE RUBBER PRODUCTS LIMITED** on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no substantial fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us the company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the companies act, 1956. However terms and conditions are not prima facie prejudicial to the interest of the company.

**AUDITOR'S REPORT**

(b) According to the information and explanations given to us the company has granted loan to a company where order of BIFR was set aside by AAIFR vide its order dated 06.09.2012. and also directed BIFR to consider the scheme submitted by the Cosmos India Rubberworks (P) of revival cum Merger with the company. The terms and conditions of the said loan are, prima facie, not prejudicial to the interest of the company. Reference is invited to Note No. 7 of Notes forming part of account.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act exceeds five lacs rupees in a financial year.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, the central government has not prescribed maintenance of cost records under section 209(1) (d) of the companies Act, 1956 for the products of the company.
9. (a) According to the records of the company, is not regular in depositing un disputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, VAT/CST, Profession Tax, TCS & TNGST cess, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable with the appropriate authorities. According to the information and explanations given to us there were outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable. The details are as follows :

Sr No	Particulars	Amount (In Rs.) Outstanding for more than 6 months. F.Y. 2012-13	Amount (In Rs.) Outstanding for more than 6 months. F.Y. 2011-12
1	Service Tax	241667	93207
2	VAT/CST	401917	1377027
3	TNGST	73387	73387
4	PF/EPF	368024	851258
5	ESIC	7369	23256.25
6	Profession Tax	408225	144675
7	TCS	2929	0

- (b) Excise duty demand of Rs.64,588 is disputed in the appeal before the Tribunal, (CEGAT-W2) and part payment of Rs.32,294/- has been made. The appeal is also filed for waiver of pre-deposit of duty of Rs.3707122/- interest and penalty.
10. The accumulated losses of the company are not more than fifty percent of its net worth at the end of financial year. The company has not incurred cash loss during the year. However In the immediately preceding financial year, the company has incurred cash loss.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
13. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
14. The Company has not raised any money by public issue during the year.
15. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
16. Having regard to the company's activities during the year, in our view, para-(V), Para ( Xii), Para(xiii), Para (Xiv), Para(xviii), para(xix) and para (xx).

For J.R. JAIN & Co.  
**Chartered  
Accountants**  
FRN:103915W  
J.P. JAIN  
**(PARTNER)**

Mumbai, 29th May, 2013      Membership No. :7293

## BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013 Amount in Rs.	As at 31.03.2012 Amount in Rs.
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	40,962,000.00	40,962,000.00
(b) Reserves and surplus	3	11,669,704.32	13,759,399.00
		<u>52,631,704.32</u>	<u>54,721,399.00</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	6,862,789.63	6,623,566.00
(b) Deferred tax liabilities (net)	5	4,524,883.00	6,384,128.00
(c) Other long-term liabilities	6	10,711,840.00	9,980,464.00
(d) Long-term provisions	7	9,784,697.00	9,240,932.00
		<u>31,884,209.63</u>	<u>32,229,090.00</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	51,714,119.00	53,741,001.00
(b) Trade payables	9	22,870,052.00	19,964,333.00
(c) Other current liabilities	10	16,139,490.31	17,436,101.31
(d) Short-term provisions	11	90,723,661.31	91,141,435.31
<b>TOTAL</b>		<u><b>175,239,575.26</b></u>	<u><b>178,091,924.31</b></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		35,998,468.92	40,251,273.00
(ii) Intangible assets		230,663.00	307,460.00
		<u>36,229,131.92</u>	<u>40,558,733.00</u>
(b) Non-current investments	13	2,500,374.00	2,500,374.00
(c) Deferred tax assets (net)	5	956,732.00	1,859,245.00
(d) Long-term loans and advances	14	10,215,723.37	7,999,652.06
(e) Other non-current assets		-	-
		<u>13,672,829.37</u>	<u>12,359,271.06</u>
<b>2 Current assets</b>			
(a) Current investments	15	-	-
(b) Inventories	16	48,947,158.00	49,508,501.00
(c) Trade receivables	17	72,562,564.00	72,656,294.00
(d) Cash and cash equivalents	18	1,239,961.24	1,615,420.00
(e) Short-term loans and advances	14	1,417,179.73	967,185.25
(f) Other current assets	19	1,170,751.00	426,520.00
		<u>125,337,613.97</u>	<u>125,173,920.25</u>
<b>TOTAL</b>		<u><b>175,239,575.26</b></u>	<u><b>178,091,924.31</b></u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For J R Jain & Co  
Chartered AccountantsJeevraj P. Jain  
PartnerM No. 007293  
FRN No. 103915WPlace :Thane  
Date : 29th May, 2013

On behalf of the Board of Directors

Smita H. Shetty  
Sameer S. Shetty  
Sucharita R. Hegde  
Ashok Shetty  
F. S. Broacha  
Laxman S. ShettyMangal Katakdhond  
Company Secretary

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

Particulars	Note No.	As at 31.03.2013 Amount in Rs.	As at 31.03.2012 Amount in Rs.
Income			
1 Revenue from operations (gross)	20	178,974,287.48	157,882,452.00
Less: Excise duty		(13,107,140.12)	(9,503,726.00)
Revenue from operations (net)		<u>165,867,147.36</u>	<u>148,378,726.00</u>
2 Other income	21	<u>7,120,990.26</u>	<u>2,549,963.87</u>
3 Total revenue (1+2)		172,988,137.62	150,928,689.87
4 Expenses			
(a) Cost of materials consumed	22	98,340,305.18	93,669,085.58
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(2,516,486.00)	(11,575,434.00)
(c) Employee benefits expense	24	33,553,272.82	30,065,098.30
(d) Finance costs	25	9,181,588.63	9,342,058.00
(e) Depreciation and amortisation expense		4,938,704.00	5,263,096.00
(f) Other expenses	26	<u>32,242,228.67</u>	<u>35,376,317.08</u>
Total expenses		<u>175,739,613.30</u>	<u>162,140,220.96</u>
5 Profit / (Loss) before tax		<u>(2,751,475.68)</u>	<u>(11,211,531.09)</u>
6 Tax expense:			
(a) Current tax expense for current year			
(b) (Less): MAT credit (where applicable)			
(c) Current tax expense relating to prior years			(220,371.00)
(d) Net current tax expense			
(e) Deferred tax		(956,732.00)	(855,610.00)
7 Profit / (Loss) from continuing operations		<u>(1,794,743.68)</u>	<u>(10,135,550.09)</u>
8 Profit / (Loss) for the year		<u>(1,794,743.68)</u>	<u>(10,135,550.09)</u>
EPS		(0.44)	(2.48)

**In terms of our report attached.  
For J R Jain & Co  
Chartered Accountants**

**Jeevraj P. Jain  
PartnerM No. 007293  
FRN No. 103915W**

**Place : Thane  
Date : 29th May, 2013**

**On behalf of the Board of Directors**

**Smita H. Shetty  
Sameer S. Shetty  
Sucharita R. Hegde  
Ashok Shetty  
F. S. Broacha  
Laxman S. Shetty**

**Mangal Katakdhond  
Company Secretary**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>Cash flow from Operating Activities:</b>		
A Profit Before Tax	(2,751,476)	-11211531
Adjustments for:		
Depreciation and obsolescence	4,938,704	5,263,096
Excess provisions written back (Net)	-	-
Provisions for retirement benefits		
Interest and dividend income	(6,039)	-206513
Interest and Finance Charges	9,181,589	9,342,058
Other operating income	-	-
(Profit)/Loss on sale of Fixed Assets	-	-
<b>Operating Profit Before Working Capital changes</b>	<b>11,362,778</b>	<b>3,187,110</b>
Movements in Working Capital:		
Increase/(Decrease) in Trade Payables and other Liabilities	2,340,484	-1465298
Increase/(Decrease) in short term & long term provisions	543,765	-210997
Increase/(Decrease) in Deferred tax liabilities	-	-
Decrease/(Increase) in Trade Receivables	93,730	5933209
Decrease/(Increase) in Inventories	561,343	-3067939
Decrease/(Increase) in Loans and advances	(3,410,297)	1482794
<b>Cash Generated from Operations</b>	<b>11,491,803</b>	<b>5,858,879</b>
Taxes paid	-	-220371
<b>Net Cash Generated from Operating Activities (A)</b>	<b>11,491,803</b>	<b>5,638,508</b>
Cash Flow from Investing Activities:		
B <b>Purchase of Fixed Assets</b>	<b>(908,184)</b>	<b>-579999</b>
Sale of Fixed Assets	4,130	5320
(Purchase)/proceeds of non current Investments	-	-
(Purchase)/proceeds of current Investments	-	0
Interest/Dividend received	6,039	206513
<b>Net Cash used in Investing Activities (B)</b>	<b>(898,015)</b>	<b>(368,166)</b>
Cash Flow from Finance Activities:		
C Proceeds/(Repayment) of Long/Short term borrowings	(1,787,658)	2266716
Interest paid	(9,181,589)	(9,342,058)
<b>Net Cash Generated/(Used) from Financing Activities (C)</b>	<b>(10,969,247)</b>	<b>(7,075,342)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)</b>	<b>(375,459)</b>	<b>(1,805,000)</b>
<b>Cash and Cash Equivalent at the Beginning of the year</b>	<b>1,615,420</b>	<b>3420420</b>
<b>Cash and Cash Equivalent at the End of the year</b>	<b>1,239,961</b>	<b>1615420</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For J R Jain & Co  
Chartered Accountants

Jeevraj P. Jain  
PartnerM No. 007293  
FRN No. 103915W

Place : Thane  
Date : 29th May, 2013

On behalf of the Board of Directors

Smita H. Shetty  
Sameer S. Shetty  
Sucharita R. Hegde  
Ashok Shetty  
F. S. Broacha  
Laxman S. Shetty

Mangal Katakdhond  
Company Secretary



**NOTES FORMING PART OF BALANCE SHEET**

<b>NOTE 2 SHARE CAPITAL</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
<b>AUTHORISED</b>		
1,00,00,000 Equity Shares of Rs 10 each (Previous year 1,00,00,000)	<u>100,000,000</u>	<u>100,000,000</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>		
40,88,400 Equity shares of Rs 10 each fully paid-up (Previous year : 40,88,400 Equity Shares of Rs.10 each Fully Paid up) Of the above: 15,10,020 Shares of Rs 10/ each allotted as fully paid up Bonus Shares by Capitalisation of General Reserve	40,884,000	40,884,000
 Add: Shares forfeited 15,300 shares for non receipt of allotment money (Previous year 15,300)	78,000	78,000
	<u><b>40,962,000</b></u>	<u><b>40,962,000</b></u>

**List of shareholders holding more than 5% of paid up Equity Share Capital**

Sr	Folio No	Name/Address	Shares	%age	Status
1	IN30045011069332	IDBI TRUSTEESHIP SERVICES LIMITED ASIAN BUILDING GROUND FLOOR 17 R KAMANI MARG, BALLARD ESTATE MUMBAI - 400001 TEL:56311771/72/73 FAX:56311776 PAN :AAACI 8912 J	589191	14.41	13.00
2	In30133020051873	SOUMYALATHA SADANAND SHETTY 11 D ILPALAZZO, LITTLE GIBBS ROAD MALABAR HILL, MUMBAI - 400006 PAN : ABMPS 8762 L	537825	13.15	10.00
3	In30133018452818	SOUMYALATHA SADANAND SHETTY 11 D ILPALAZZO, LITTLE GIBBS ROAD MALABAR HILL, MUMBAI - 400006 PAN : ABMPS 8762 L	353599	8.65	10.00
4	IN30133018452761	SOUMYALATHA SADANAND SHETTY 11 D ILPALAZZO, LITTLE GIBBS ROAD MALABAR HILL, MUMBAI - 400006 PAN : ABMPS 8762 L	350746	8.58	10.00
<b>Grand Total:</b>			<u><b>1831361</b></u>	<u><b>44.79</b></u>	

### NOTE 3 RESERVES AND SURPLUS

As at 31.03.2013	Assets Revaluation Reserve	General Reserve	Share Premium Reserve	Surplus(+)/Deficit(-) of Profit & loss st	Total
Opening Balance	1,538,659.00	11,197,300.00	49,924,000.00	(48,900,560.00)	13,759,399.00
During the Year					
Additions -	-			(1,794,743.68)	(1,794,743.68)
Deductions	294,951.00	-	-		294,951.00
Closing Balance	1,243,708.00	11,197,300.00	49,924,000.00	(50,695,303.68)	11,669,704.32
As at 31.03.2012	Assets Revaluation Reserve	General Reserve	Share Premium Reserve	Surplus(+)/Deficit(-) of Profit & loss st	Total
Opening Balance	1,847,849.00	11,197,300.00	49,924,000.00	(38,765,009.00)	24,204,140.00
During the Year					
Additions	-	-		(10,135,551.00)	(10,135,551.00)
Deductions	309,190.00	-	-		309,190.00
Closing Balance	1,538,659.00	11,197,300.00	49,924,000.00	(48,900,560.00)	13,759,399.00

### NOTE 4

#### Long Term Borrowings

	31.03.2013	31.03.2012
Long term borrowings		
Vehicle Loan (Payable Upto July 2016 )	362,789.63	0.00
Unsecured :		
From Related Party		
M/s Boving Fouress Limited (where Director's interested)	5,000,000.00	6,623,566.00
Mr. Sameer Shetty. Director	1,500,000.00	0.00
	<u>6,862,789.63</u>	<u>6,623,566.00</u>

### NOTE 5

#### DEFERRED TAX LIABILITY (Net)

Particulars	Deferred Tax as at 31.03.2012	Current Year Charge	Deferred Tax as at 31.03.2013
Deferred tax Assets	6,384,128.00	788,690	5,595,438.00
Deferred Tax Liability	1,859,245.00	168,042	2,027,287.00
Net Deferred Tax Liability	4,524,883.00	956,732.00	3,568,151.00

### NOTE 6

#### OTHER LONG TERM LIABILITIES

Particulars	As at 31.03.2013	As at 31.03.2012
Customer Deposits	560,000.00	560,000.00
Unclaimed Bonus	111,545.00	78,947.00
Unclaimed Wages	118,458.00	118,458.00
Creditors for Capital Goods	156,093.00	104,072.00
Creditors for Expenses	2,060,629.00	1,117,182.00
Creditors for Material	7,147,846.00	7,510,980.00
Creditors for Stores	557,269.00	490,825.00
	10,711,840.00	9,980,464.00
Creditors for expenses Inculdes Related Party FOURESS ENGINEERING (India) Ltd	65539	180441

### NOTE 7

#### LONG TERM PROVISIONS

Particulars	As on 31.03.2013	As on 31.03.2012
For Employee Benefits		
Gratuity	8,433,353.00	7,639,521.00
Leave Encashment	521,715.00	771,782.00
For Taxation		
FBT	829,629.00	829,629.00
Total	9,784,697.00	9,240,932.00

**NOTE 8**

**SHORT TERM BORROWINGS**

Particulars	As at 31.03.2013	As at 31.03.2012
Loans repayable on demand:		
From bank-Cash credit/Working capital borrowings (Secured by Hypothecation of stocks, book debts and fixed assets of the Company)	51,714,119.00	53,741,001.00
	<u>51,714,119.00</u>	<u>53,741,001.00</u>

**NOTE 9**

**TRADE PAYABLES**

Particulars	As at 31.03.2013	As at 31.03.2012
Due to Micro, Small & Medium Enterprises (To the extent identifiable with available information)	-	-
Due to others		
Creditors for Expenses	4,292,717.00	4,864,941.00
Creditors for Material	16,685,329.00	13,028,471.00
Creditors for Stores	1,892,006.00	2,070,921.00
	<u>22,870,052.00</u>	<u>19,964,333.00</u>

**NOTE 10**

**OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2013	As at 31.03.2012
Liability for Capital goods	68,479.00	160,283.00
Other Liabilities	6,420,333.38	5,703,903.00
Advance Received From Customers	1,545,403.00	4,691,486.00
Duties & Taxes	8,081,462.93	6,866,633.31
RPL - Delhi Branch	23,812.00	13,796.00
	<u>16,139,490.31</u>	<u>17,436,101.31</u>

## NOTE 12 FIXED ASSETS

DESCRIPTION					DEPRECIATION				NET BLOCK		
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	As at 01.04.2012	Depreciation on Revaluation	Dep. For the Year	Depreciation Reversed	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible											
LAND	163,750	-	-	163,750	-	-	-	-	-	163,750	163,750
BUILDING	23,567,510	-	-	23,567,510	9,899,775	294,951	294,800	-	10,489,526	13,077,984	13,667,735
FURNITURE, FIXTURES & FITTINGS	5,135,227	-	-	5,135,227	4,441,894	-	126,771	-	4,568,665	566,562	693,333
PLANT, MACHINERY & EQUIPMENTS	114,203,191	388,892	124,022	114,468,061	88,629,614	-	4,399,369	119,892	92,909,091	21,558,970	25,573,577
VEHICLES	647,401	519,292	323,421	843,272	494,523	-	40,966	323,421	212,068	631,204	152,878
<b>Total</b>	<b>143,717,079</b>	<b>908,184</b>	<b>447,443</b>	<b>144,177,820</b>	<b>103,465,806</b>	<b>294,951</b>	<b>4,861,906</b>	<b>443,313</b>	<b>108,179,350</b>	<b>35,998,470</b>	<b>40,251,273</b>
Intangible											
Technical Knowhow	1,034,990	-	-	1,034,990	727,530	-	76,798	-	804,328	230,662	307,460
As at 31st March, 2013	<b>144,752,069</b>	<b>908,184</b>	<b>447,443</b>	<b>145,212,810</b>	<b>104,193,336</b>	<b>294,951</b>	<b>4,938,704</b>	<b>443,313</b>	<b>108,983,678</b>	<b>36,229,132</b>	<b>40,558,733</b>
As at 31st March, 2012	144,177,390	579,999	5,320	144,752,069	98,621,051	309,190	5,263,097	-	104,193,336	40,558,733	45,563,339

### Note

- 1) Depreciation is provided on straight line method (SLM) in accordance with provision of section 205(2)(b) of the Companies Act 1956 at the rates prescribed in Schedule XIV of the said Act and the rates revised vide notification dated 16.12.93 in relation to addition from that date.
- 2) Plant & Machinery include Technical knowhow amounting to Rs. 10,34,990/- acquired during the year 2002-2003.

**NOTE 13  
NON-CURRENT INVESTMENTS (Valued at cost, unless stated otherwise)**

Particulars	As at 31.03.2013	As at 31.03.2012
<b>Quoted</b>		
Equity (Face value Rs. 10/- per Share unless stated otherwise)		
750 (750) Autoriders Finance Ltd.	151,250.00	151,250.00
500 (500) East Coast Steel Ltd.	49,250.00	49,250.00
78 (78) Balasore Alloys Ltd (Ispat)	2,150.00	2,150.00
410 (410) Lloyds Finance Ltd.	49,811.00	49,811.00
2000 (2000) Nuchem Ltd.	81,200.00	81,200.00
	<u>333,661.00</u>	<u>333,661.00</u>
<b>Unquoted</b>		
42,000 equity shares of Rs 50 each fully paid up in Associate company (previous year 42,000)		
	2,100,000.00	2,100,000.00
Equity (Face value Rs. 10/- per Share unless stated otherwise)		
2000 (2000) The Shamrao Vithal Co-op Bank Ltd.	50,000.00	50,000.00
500 (500) Electra (India) Limited	14,500.00	14,500.00
50 (50) Varinder Agro Chem Ltd	2,213.00	2,213.00
	<u>66,713.00</u>	<u>66,713.00</u>
<b>Total</b>	<u>2,500,374.00</u>	<u>2,500,374.00</u>

Aggregate cost and market value wherever available, of quoted investments is Rs.3,33,661/- (previous year RS.3,33,661/-) and Rs. 26,307/- (previous year Rs,15,902/- respectively).

**NOTE 14  
LOANS AND ADVANCES**

Particulars	SHORT TERM		LONG TERM	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<u>Secured and considered good</u>				
<u>Unsecured</u>				
considered good				
Capital advance	4,570.00	5,000.00	1,109,000.00	1,109,000.00
Security deposits	-	-	77,250.00	71,250.00
Balance with Govt authorities	591,012.00	475,015.00	5,902,485.00	3,687,648.06
Advance receivable in cash or kind	620,629.73	349,742.25	626,988.37	631,754.00
Advance to Employees	200,968.00	137,428.00		
Considered doubtful				
Loan to Cosmos Rubber P Ltd - Associate (Min and Max balance unchanged)	-	-	2,500,000.00	2,500,000.00
<b>Total</b>	<u>1,417,179.73</u>	<u>967,185.25</u>	<u>10,215,723.37</u>	<u>7,999,652.06</u>

Note 15  
Current Investments

NIL

**NOTE 16  
INVENTORIES**

Particulars	As at 31.03.2013	As at 31.03.2012
Raw Material	7,899,460.00	10,977,289.00
Work-in-progress	35,058,738.00	29,834,568.00
Finished Goods	5,988,960.00	8,696,644.00
Total	<u>48,947,158.00</u>	<u>49,508,501.00</u>

**NOTE 17  
TRADE RECEIVABLES**

Particulars	As at 31.03.2013	As at 31.03.2012
Exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	41,979,169.00	47,995,194.00
Others		
Secured, considered good	-	-
Unsecured, considered good	30,583,395.00	24,661,100.00
Total	<u>72,562,564.00</u>	<u>72,656,294.00</u>

**NOTE 18  
CASH AND BANK BALANCES**

Particulars	As at 31.03.2013	As at 31.03.2012
Cash and Cash Equivalents		
Cash on hand	3,157.94	5,338.00
Balance with bank	<u>(258,196.70)</u>	<u>309,886.00</u>
	(255,038.76)	315,224.00
Other bank balances		
Margin money	1,495,000.00	1,300,196.00
Total	1,239,961.24	1,615,420.00

**Note 19  
Other Current Assets**

TDS deducted by Customer	1,028,547.00	83,388.00
Prepaid Expenses	142,204.00	343,132.00
Total	1,170,751.00	426,520.00

**NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT**  
**Note 20 Revenue from operations**

Sale of Products & Services	Amount in Rs. For the year ended 31 March, 2013	Amount in Rs. For the year ended 31 March, 2012
(a) Sale of Products	177,849,287.48	157,882,452.00
(b) Sale of services	-	-
(c) Sale Of Advance Licence	1,125,000.00	-
	<u>178,974,287.48</u>	<u>157,882,452.00</u>
Less:		
(d) Excise duty	13,107,140.12	9,503,726.00
<b>Total</b>	<b>165,867,147.36</b>	<b>148,378,726.00</b>

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(i) Sale of products comprises of		
Manufactured goods		
Hose Pipe	16,564,554.00	18,183,282.00
Moulded Goods	48,070,593.00	4,732,848.00
Rubber Sheet	81,092,250.00	120,990,639.00
Extruded Goods	19,014,750.00	13,975,683.00
Total - Sale of manufactured goods	<u>164,742,147.00</u>	<u>157,882,452.00</u>
<b>Traded goods</b>	-	-
Total - Sale of traded goods	-	-
Total - Sale of products	164,742,147.00	157,882,452.00
(ii) Sale of services comprises	-	-
Total - Sale of services	-	-
<b>Sales to related parties</b>		
<b>FOURESS ENGINEERING (INDIA) LTD</b>	<b>3,904,831.00</b>	<b>229,169.27</b>

**Note 21**  
**Other income**

Note	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a)	Dividend income:		
	from current investments	-	-
	others	6,039.00	6,174.00
	from long-term investments	-	-
(b)	Interest on Fixed Deposit	-	200,339.00
	Profit on sale of fixed asset	72,563.00	-
(c)	Other operating revenues:	5,028,285.50	-
	Miscellaneous Income	390,536.76	-
	Unclaimed credit balances written back	1,623,566.00	2,343,450.87
	<b>Total</b>	<u>7,120,990.26</u>	<u>2,549,963.87</u>
		7,120,990.26	2,549,963.87
	OTHER OPERATING INCOME INCLUDES		
	RENT FROM RELATED PARTY		
	<b>FOURESS ENGINEERING (INDIA) LTD</b>	<b>4,800,000.00</b>	-

**Note 22 Cost of materials consumed**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Opening stock	10,977,289.00	19,484,784.00
Add: Purchases	95,262,476.18	85,161,590.58
	106,239,765.18	104,646,374.58
Less: Closing stock	7,899,460.00	10,977,289.00
<b>Cost of material consumed</b>	<b>98,340,305.18</b>	<b>93,669,085.58</b>
Material consumed comprises:		
Natural Rubber	14,860,647.00	14,052,272.00
Other Rubber	38,665,503.00	38,797,007.00
Chemicals	24,731,216.00	24,212,843.00
G. I. Wire	777,234.18	767,624.00
Fabrics	7,904,116.00	6,186,870.00
Stores & Sundries	6,311,262.00	5,512,642.00
Others	5,090,327.00	4,139,827.58
<b>Total</b>	<b>98,340,305.18</b>	<b>93,669,085.58</b>

**Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Inventories at the end of the year:		
Finished goods	5,988,960.00	8,696,644.00
Work-in-progress	35,058,738.00	29,834,568.00
	41,047,698.00	38,531,212.00
Inventories at the beginning of the year:		
Finished goods	8,696,644.00	4,976,035.00
Work-in-progress	29,834,568.00	21,979,743.00
	38,531,212.00	26,955,778.00
Net (increase) / decrease	(2,516,486.00)	(11,575,434.00)

**Note 24 Employee benefits expense**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Salaries and wages	27,637,721.48	24,384,191.53
Contributions to provident and other funds	3,457,865.75	3,241,632.65
Staff welfare expenses	1,663,853.59	1,741,306.12
Gratuity	793,832.00	697,968.00
<b>Total</b>	<b>33,553,272.82</b>	<b>30,065,098.30</b>

**Note 25 Finance costs**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Interest expense on:		
(i) Borrowings	8,314,675.00	8,876,082.00
(ii) Trade payables	852,664.00	319,771.00
(iii) Others	14,249.63	146,205.00
<b>Total</b>	<b>9,181,588.63</b>	<b>9,342,058.00</b>



**Note 26 :Other expenses**

Particulars

	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Power and fuel	6,525,305.00	10,290,038.15
Water	319,777.00	282,419.00
Repairs and maintenance - Buildings	116,391.58	102,253.00
Repairs and maintenance - Machinery	1,244,947.36	948,114.45
Repairs and maintenance - Others	205,984.90	220,075.45
Insurance	491,468.00	411,904.00
Rates and taxes	355,170.00	443,527.00
Travelling and conveyance	3,276,426.49	3,476,743.57
Printing and stationery	341,313.18	404,514.59
Freight and forwarding	3,086,266.52	3,120,010.87
Sales commission	1,144,072.00	755,244.00
Legal and professional	1,101,326.00	1,058,776.00
Payments to auditors (Refer Note (i) below)	460,000.00	400,000.00
Loss on fixed assets sold / scrapped / written off	3,939.00	2,820.00
Miscellaneous expenses	35,113.50	319,504.00
Excise Duty	-	364,429.00
Repairs to electricals & other F.E.	419,826.35	396,708.00
Labour & Service Charges	4,922,423.00	5,342,805.00
Rental Hire Charges	181,213.00	174,022.00
Sales Tax	4,123,949.00	2,878,133.00
Repairs & Mait. To Office Building		92,000.00
Repairs to Maint. To vehicles	163,195.55	193,684.00
Postage & Telegrams	647,669.37	576,507.00
Advertisement & Business Promotion	53,981.94	50,488.00
Service Charges & Staff Recruitment	10,213.00	671,625.00
Sundry Debit Balances Written Off (Net)	293,630.11	366,653.00
Export Exps.	1,217,632.22	980,613.00
Inspection & Testing Fees	71,722.10	98,260.00
Bank Charges	1,313,396.50	954,446.00
Director's Sitting Fees	22,000.00	-
Donation	8,652.00	-
Membership & Subscription	85,224.00	-
<b>Total</b>	<b>32,242,228.67</b>	<b>35,376,317.08</b>

**Note (i) on Note no. 26**

**Payment to Auditors**

	31.03.2013	31.03.2012
1 Audit Fee	140,000.00	140,000.00
2 Taxation Matters	75,000.00	60,000.00
3 Tax Audit Fees / FBT Certificate	50,000.00	40,000.00
4 Fees for Certification	75,000.00	60,000.00
5 Fees for Management & Business Consultancy	50,000.00	50,000.00
6 Fee for earlier year Taxation matter and Vat Audits	40,000.00	50,000.00
7 Conversion of B/S & P/L In XBRL Format	30,000.00	-
<b>Total</b>	<b>460,000.00</b>	<b>400,000.00</b>

## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

### SCHEDULE 1

#### NOTES TO ACCOUNTS

##### 1. Nature of operations

The Rubber Products Limited is primarily engaged in the business of manufacturing rubber products.

##### 2. Statement of significant accounting policies

###### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below:

Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2013, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its consolidated

financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the consolidated financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**Provisions for Leave Encashment:** Company has changed policy relating to Leave encashment with regard to staff/managers. As per which an employee is eligible for maximum of 15 days leave only if he has more than 60 days of accumulated leave. Accordingly company has made provision for only 15 days. This was done based on assumption that an employee will be availing of at least 30 days of leave during the year. This is applicable to both staff as well as workers.

- b. Use of Estimates : The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.
- c) Sales (Revenue Recognition): Sales include excise duty, sales tax, premium on sale of import licence, sale of scrap and exchange difference arising on sale transactions.
- d. Fixed Assets and Depreciation: Fixed Assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for the intended use, less accumulated depreciation. Interest on borrowings attributable to new projects is capitalized and included in the cost of fixed assets as appropriate.  
Depreciation is provided (except on the assets acquired up to 31.3.1983 where it is on written down value method) on straight line method in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956 at the rates specified in Schedule XIV of the said Act.
- e. Inventories: Raw materials at cost (FIFO basis) on inclusive method, WIP & Finished Goods at cost.
- f. Investments : Investments that are readily realizable and intended to be held for not more than a year from the date on which such investment are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments. Long-term investments are carried at cost.
- g. Research and Development: Recurring expenditure on Research and Development is charged to revenue.
- h. Retirement benefits:
  - a) Liability for gratuity is funded by annual payment to Life Insurance Corporation of India on the basis of valuation as advised by actuarial valuer. Provision is made for the difference in net present value of liability as ascertained by actuarial valuer and value of fund as at year end given by LIC.
  - b) Provision is made for liability towards Leave Encashment estimated on the basis of accumulated leave, employees' salary and Company Policy. No provision is made for first 60 days, provision is made only for those employees who have leave encashment accumulated for more than or equal to 75 days and above.
  - c) Company's contribution to provident fund is charged to Profit & Loss Account.
- i. Interest on Borrowings: The interest on working capital is charged against the profits for the year in which it is incurred. Interest on borrowings for capital assets is capitalized till the date of commencement of commercial use of the asset.
- j. Foreign Currency Transactions: Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transaction of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit and Loss Account.
- k. Taxes on Income: Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- l. Contingent liabilities : A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

- 3.. Consistent with the past practice, no provision has been made for excise duty estimated at Rs. 7.40,235/- (Previous Year Rs. 17,24,215/-) on stock lying at the year end. Accordingly the said amounts are not included in the inventory valuation. This has no effect on the profit for the year. Though the said accounting treatment differs from the revised "Guidance Note on Accounting treatment for Excise Duty" issued by the ICAI. The Company is of the view that the excise duty is effectively not payable till the manufactured goods are removed from the factory premises.
4. Consistent with the past practice, for valuing Raw Material Company has followed inclusive method (all Taxes have been included) instead of exclusive method as suggested in AS-2 (Revised) on "Valuation of Inventory". However this will have no impact on current year Profit and Loss account as same method is followed consistently.
5. Deferred Tax:
- (a) During the year ending 31.03.2002, the Company adopted Accounting Standard 22- 'Accounting for taxes on income.' The accumulated amount of deferred tax liability as at 31.03.2001 of Rs. 1,05,50,000/- was recognized as a charge to General Reserve on 1.4.2001. The deferred tax asset in relation to provision for leave encashment accumulated amount as at 31.03.2001 of Rs. 9,00,560 is adjusted in General Reserve during the year ending 31.03.2005.
- (b) Deferred Tax Liability/(Assets) Net comprises of tax effect of timing differences on account of:

			In Rupees
Items	Opening Bal.	Charge/ (Credit)	Closing Bal.
1 Depreciation	63,84,128	(7,94,900)	55,95,438
Adjustments to DTL past liability towards depreciation	0	6210	0
2 Leave Encashment	(2,38,481)	77,251	(1,61,230)
3 Gratuity Liability as AS 15	(16,20,764)	(2,45,294)	(18,66,058)
	45,24,883	(9,56,733)	35,68,150

6. Contingent Liability not provided for:

		In Rupees	
		2012-13	2011-12
(a) Guarantees given by Bank on behalf of the Company		9,37,346/-	17,87,131/-
(b) Letters of Credit issued by Bank on behalf of the Company		92,61,204/-	62,75,000/-
(c) Excise duty demand disputed in Appeal		5,84,306/-	5,84,306/-
(d) Pending legal matters related to employees, supplier not quantified because of insignificant & uncertainty of amount.		3707122/-	0
(e) No provision is made for amount payable for wages to the employees for the period of their illegal strike.		8,27,001/	8,27,001/

7. Pursuant to the Rehabilitation Scheme approved by the Board for Industrial and Financial Reconstruction (BIFR) vide order dated 23.5.96 the Company had joined as Co-Promoters in The Cosmos India Rubber Works (P.) Ltd. during the year 1996-97. In terms of the said scheme, the company had invested Rs.21.00 lacs by way of Share Capital in the erstwhile subsidiary Company. The amount outstanding from the said Company as Loans & Sundry Debtors are Rs.25,00,000/- ( Previous Year Rs.25,00,000/-) & Rs.1,39,57,567/- (Previous Year Rs. 1,39,57,567/-) respectively. The said company is a sick industrial Company within the meaning of section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 and BIFR, vide order dt. 08.09.2010 have recommended winding of the said. This order of BIFR was set aside by AAIFR vide it's order dated 06.09.2012 and also directed BIFR to consider the scheme submitted by The Cosmos India Rubber Works (P.) Ltd of Revival cum merger with the Company. The said Company has since suspended manufacturing activities and the chances of immediate recovery of the Company's dues are doubtful. However, No provision has been made in view of pending final decision by BIFR on revival Scheme.
9. Sundry Debtors are subject to confirmation and include some debts, which are overdue. It includes dues from Railways, Govt. Depts/PSU etc. No provision has been made for doubtful debts.

10. With regard to disclosure of outstanding dues for more than 45 days payable to Sundry Creditors covered under MSME Act, is under process of being worked out as the details relating to their status are being called for.

11. Gratuity Provision : As per the working of Independent Actuarial Valuer M/s K.A.Pundit, the Projected Benefit Obligations of the Company has in respect of gratuity benefits as on 31.03.2013 is Rs 116.80 lakhs , against which the Company has made provision of Rs 88.33 lakhs and for the the balance Rs 28.47 lakhs , according to the Management Certificate , the same will be covered by the gratuity fund available with LIC for which no certificate has been issued by LIC and in the absence of this certificate the shortfall in the provision if any, cannot be quantified and hence not provided in the books. To the extent of the shortfall if any, the provisions of the revised AS 15 are not complied with.

12. Provisions for Leave Encashment: Company has changed policy relating to Leave encashment with regard to staff/managers and accordingly provisions for leave is revised from Rs.7,71,782 as on 31.3.2012 to Rs.5,21,715 as on 31.3.2013 , as per which an employee is eligible for maximum of 15 days leave only if he has more than 60 days of accumulated leave. Accordingly company has made provision for only 15 days. This was done based on assumption that an employee will be availing of at least 30 days of leave during the year. This is applicable to both staff as well as workers.

13. Other expenditure includes payment to Auditors as under:

	In Rupees	
	2012-13	2011-12
1. Audit fee	1,40,000	1,40,000
2. Taxation Matters	75,000	60,000
3. Tax Audit Fees	50,000	40,000
4. Fees for Certification	75,000	60,000
5. Fees for Management & Business Consultancy	50,000	50,000
6. Professional Fee for earlier year Taxation matter and Vat audits	40,000	50,000
7. Misc Exp for Conversion of B/sheet & P & L To XBRL Format	30,000	--
<b>Total</b>	<b>4,60,000</b>	<b>4,00,000</b>

14. The Management had noticed in the earlier years irregularities in the purchase activities and after investigation some of the employees were found involved in manipulation of rate of supplies by one of the vendor, the Company filed a criminal complaint against supplier and some of its employees and the matter is under investigation.

**As per our report of even date  
For J. R. JAIN & CO.  
Chartered Accountants**

**J. P. JAIN  
(Partner )  
Membership No. 7293**

**Thane, 29th May, 2013**

**On behalf of the Board of Directors  
SMITA H. SHETTY  
SAMEER S. SHETTY**

**SUCHARITA R. HEGDE  
ASHOK SHETTY  
F.S. BROACHA  
LAXMAN S. SHETTY**

**Chairperson  
Vice Chairman**

**Director  
Director  
Director  
Director**

**MANGAL KATAKDHOND  
Company Secretary**



# THE RUBBER PRODUCTS LIMITED

REGISTERED OFFICE : Plot No. C-44, Road No. 28, Wagle Industrial Estate, Thane (W) - 400 604.

## ATTENDANCE SLIP

Folio No : \_\_\_\_\_

DP Id No\*. \_\_\_\_\_ Client Id No\*. \_\_\_\_\_

Name of the Member : \_\_\_\_\_

Name of the Proxy : \_\_\_\_\_

No of shares held : \_\_\_\_\_

I hereby record my presence at the 47th Annual General Meeting of the Company at Plot No. C- 44, Road No. 28, Wagle Industrial Estate, Thane - 400 604 at 3.00 p.m. on Friday, 27st September, 2013.

Members / Proxy's Signature

### Notes :

- ✪ Every person holding equity shares of the Company and whose name is entered, as beneficial owner in the records of the depository shall be deemed to be member of the Company.
- ✪ Members/Proxy holders are requested to produce the Attendance Slip duly signed at the security gate for admission to the meeting.
- ✪ Members are requested to bring their copy of the Annual Report for reference at the meeting.

\* Applicable for Member holding shares in electronic form.



# THE RUBBER PRODUCTS LIMITED

REGISTERED OFFICE : Plot No. C-44, Road No. 28, Wagle Industrial Estate, Thane (W) - 400 604.

## PROXY FORM

Folio No : \_\_\_\_\_

DP Id No\*. \_\_\_\_\_ Client Id No\*. \_\_\_\_\_

No of shares held : \_\_\_\_\_

I / We \_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ being a Member / Members of The Rubber Products Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as proxy to attend and vote for me/us and on my /our behalf at the 47th Annual General Meeting of the Company to be held on Friday, 27st September, 2013 at Plot No. C- 44, Road No. 28, Wagle Industrial Estate, Thane - 400 604 at 3.00 p.m. and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

(Affix  
Rupee 1/-  
Revenue  
Stamp.)

Sign Across the Stamp

Note : The proxy in order to be effective should be completed in all respects (duly stamped and signed) and deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting. The proxy need not be a member of the Company.

\* Applicable for Member holding shares in electronic form.