



RUBFILA

INTERNATIONAL LIMITED

**19th ANNUAL REPORT
2011 - 12**



NINETEENTH ANNUAL REPORT 2011-12

CORPORATE INFORMATION

Board of Directors

BHARAT J PATEL

Chairman

BHARAT J DATTANI

Director

THOMAS CALTON THOMPSON III

Director

DHIREN S SHAH

Director

SAMIR K SHAH

Director

PATRICK M DAVENPORT

Director

G. KRISHNA KUMAR

Managing Director

COMPANY SECRETARY

N.N. PARAMESWARAN

Chief Finance Officer & Company Secretary

BANKER

Punjab National Bank

AUDITORS

M/s. Mohan & Mohan Associates

Chartered Accountants

A-2, Jawahar Nagar,

Trivandrum - 695 041.

REGISTERED OFFICE & FACTORY

New Industrial Development Area

Kanjikode, Palakkad, Kerala - 678 621.

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of M/s.Rubfila International Ltd; Palakkad, Kerala - 678 621 will be held on 28th day of September, 2012 at SKM Auditorium at Chedayankalai, Kanjikode - 678 621 at 11.00 a.m to transact the following business :

AS ORDINARY BUSINESS

1. To receive and adopt the Director's Report and the Audited Accounts as at 31st March, 2012 along with Auditor's Report.
2. To appoint a Director in place of Mr.Dhiren S Shah, Director who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr.Patrick M. Davenport, Director who retires by rotation and is eligible for re-appointment.
4. To appoint the Auditors of the Company for the year 2012 - 13 and to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification (s), the following Resolution as an Ordinary Resolution .

"RESOLVED THAT pursuant to Article 114 of the Company's Articles of Association and in conformity with provisions of Section 260 of the companies Act, 1956, Mr.Hardik Patel (who was appointed as an Additional Director of the company by the Board of Directors and who holds office under the said Article and Section 260 of the Companies Act, 1956 only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the

office of Director) be and is hereby elected and appointed a Director of the company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification (s), the following Resolution as an Special Resolution .

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII, as amended, of the Companies Act, 1956 and other applicable provisions, if any, of the said Act the approval of the company be and is hereby accorded to the appointment of Mr.G.Krishna Kumar as Managing Director of the Company from 1st November, 2011 to 31st October 2013 on the terms and conditions as set out in the Explanatory Statement."

"FURTHER RESOLVED THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr.G.Krishna Kumar, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part II of Schedule XIII to the Act."

"FURTHER RESOLVED THAT the Board / Remuneration Committee of Directors of the Company be and is hereby authorized to take such steps expedient to give effect to this resolution."

By order of the Board of Directors

N.N.PARAMESWARAN
Chief Finance Officer & Company Secretary

Palakkad

05/07/12

NOTES :

- a. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The Proxy Form if intended to be used should reach the Registered Office of the Company duly completed not less than forty-eight hours before the scheduled time of meeting.
- b. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretarial Department so as to reach the Company on or before 21/09/2012 specifying the points requiring clarification from the Chairman.
- c. Since the Company is yet to declare any dividend, disclosure regarding status of unclaimed dividends under Section 205(A) of the Companies Act, 1956 does not arise.
- d. The Register of Members and the Share Transfer Books of the Company will be closed from 21st day of September 2012 to the 28th day of September, 2012.

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director :	Dhiren S Shah	Patrick M Davenport
Date of Birth :	29/04/1956	17/03/1966
Date of Appointment :	28/01/2009	25/06/2009
Qualification :	M.Com., LLB, FCA, Grad.CMA	BA
Expertise in specific Functional area :	Finance	Finance
Details of Other Directorship :	Nil	Nil

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM 5

Mr.Hardik Patel, who was appointed by the Board of Directors as Additional Director with effect from .. July 2012 under articles 114 of the Articles of Association of the Company and pursuant to Section 260 of the Companies Act, 1956, hold office up the date of this Annual General Meeting. As required by Section 257 of the said Act, a notice along with the requisite deposit of Rs.500/- have been received from a member signifying his intention to propose Mr.Hardik Patel as candidate for the office of the Director.

Considering the qualifications and diverse experience of Mr.Hardik Patel, the Board feels that it will be in the interest of the Company to avail his service as Director of the Company. Accordingly, this resolution is recommended for your acceptance

None of the Directors, other than Mr.Hardik Patel, is interested in this resolution.

The Board recommends the Resolution for approval.

ITEM 6

The Board of Directors had appointed Mr.G.Krishna Kumar as the Managing Director of the Company with effect from 01/11/2011 to 31/10/2013 on the terms and conditions as follows :-

- a) Salary : ` 1,75,000/- per month
- b) Dearness Allowances : ` 10,750/- per month
- d) House Rent Allowance: ` 10,000/- per month

In addition to the above, the Managing Director shall be entitled for Leave Travel Allowance, Reimbursement

for Periodicals and Subscriptions, Medical Expenses and Entertainment expenses as per Company Rules. Personal Accident Insurance and Medical Insurance for self and family.

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

Minimum Remuneration :

The above appointee shall be paid the same remuneration as stated above minimum remuneration, in the event of inadequacy of profit subject to the ceiling of minimum remuneration as stated in Part II, Section II of Schedule XIII of the Companies Act, 1956, with such modification as may be made therein from time to time being in force.

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

The terms and conditions of the appointment of Mr.G.Krishna Kumar as set out in the resolution may

be treated as an abstract in terms of Section 302 of the Companies Act, 1956.

Information required to be disclosed in terms of Notification No.G.S.R.36(E) dated, 16.01.2002 of Schedule XIII to the Companies Act, 1956.

I. GENERAL INFORMATION

i) Nature of Industry

Rubber Industry - The Company is mainly engaged in manufacturing of Heat Resistant Latex Thread (HRLRT) for catering to the needs of Textile Industry. Company's products are classified into Talc Coated Rubber Thread, Silicon Coated Rubber Thread in various counts and colour.

ii) Date or Expected date of Commencement of Commercial Production

The Commercial Production of Talc Coated Rubber Thread production line has commenced during March 1995 and that of Silicon Coated Rubber Thread production line has commenced during March, 2000.

iii) Incase of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospectus.

Not applicable.

iv) Financial Performance :

Particulars	07 - 08	08 - 09	09-10	10-11	11-12
Sales	3464.55	3435.87	5159.50	7838.15	9471.70
Other Income	76.60	81.30	108.03	95.42	174.80
Operating Profit	152.80	366.45	551.54	491.29	1270.24
Interest on Loans	560.16	631.28	-	-	-
PBDT	(407.36)	(264.83)	551.54	491.29	1270.24
Profit before Tax	(680.66)	(538.18)	277.20	214.90	993.11
Net Profit / Loss	(1533.87)	(943.50)	2259.25	214.77	3277.10
Amount of Equity Dividend paid	-	-	-	-	-
Rate of Dividend declared	N.A	N.A	N.A	N.A	N.A

The effective capital of the Company based on the Audited Accounts for the year ended 31.03.2012 is ₹ 4080.26 lacs

The Company has not made any default in the repayments of its due (including Public Deposits) or interest payments thereon. The Company has not issued any debentures.

v) Export performance and net foreign exchange contributions :

Financial Year	Export Turnover (in ₹ lakhs)
2007 - 2008	504.56
2008 - 2009	201.10
2009 - 2010	318.12
2010 - 2011	442.99
2011 - 2012	834.60

The Company does not have any foreign exchange collaboration.

vi) Foreign Investments or Collaboration, if any.

M/s.Rubpro Sdn. Bhd., Malaysia holds 16.93% of shares in the Company.

II. INFORMATION ABOUT THE APPOINTEE

Mr.G.Krishna Kumar

Vide item No.7 of the Notice of this Annual General Meeting of the company, the approval of members is being sought for the appointment and fixing the remuneration payable to Mr.G.Krishna Kumar, Managing Director effective from 01.11.2011. Mr.G.Krishna Kumar, aged 47 years, is a Mechanical Engineer by profession and a Post Graduate in Business Administration. He has a career spanning of more than 26 years with vast experience in the area of operation, project and management. Company's entire operations are being managed by Mr.G.Krishna Kumar..

During the Financial Year 2011 - 2012, Mr.G.Krishna Kumar was paid the following remuneration :-

(in ₹ lakhs)			
Salary	Commission	PF/Gratuity/ Superannuation	Total
13.41	Nil	2.06	15.47

Pecuniary relationship :-

The company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the Company. Further, all transactions with the Related Parties were in the ordinary course of business and at arms length.

III. OTHER INFORMATION

1.Steps taken or proposed to be taken for improvement :

The steps taken include cost reduction on all operational front, technology up-gradation, modernisation, product and market development. The strategic marketing, cost control measures and debt restructuring had resulted in maintaining the bottom line and helped the company in turning around the situation. Company is striving towards optimum capacity utilization, better realization and thereby achieving better results in the years to come.

2. Expected increase in productivity and profits in measurable terms :

The Company is continuously improving its operational efficiency, productivity and cost control, which alone can improve the bottom line in future in a highly competitive environment.

None of the Directors, other than Mr.G.Krishna Kumar is interested in this resolution.

The Board recommends the Resolution for approval.

By order of the Board of Directors

N.N.PARAMESWARAN
 Chief Finance Officer & Company Secretary

Palakkad
 05/07/12

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report of the operations of the Company and the Audited Financial Accounts of the Company for the Financial Year ended 31st March, 2012.

FINANCIAL RESULTS:

(in ` Lakhs)

Particulars	31.03.2012	31.03.2011
Gross Sales / Income from Operations	10092.84	8233.51
Less: Excise Duty	(436.70)	(313.32)
Net Sales / Income from Operations	9656.14	7920.19
Other Income	111.59	23.47
Total Expenditure (Excluding Interest, Depreciation and Preliminary Expenses)	8497.50	7458.39
Depreciation	277.13	276.39
Profit from Operations	993.10	208.88
Prior Period Expenses (Net)	1.06	(5.90)
Exceptional Items	2285.05	0.00
Net Profit(+) / Loss (-) after extra ordinary items	3277.10	214.77

PERFORMANCE:

(in ` Lakhs)

Particulars	31.03.2012	31.03.2011
Domestic Sales	8737.10	7395.16
Export Sales	834.60	442.92
Operating Profit / (Loss)	1270.24	491.29

During the year under review, the company achieved a gross turnover of ` 10092.84 lakhs, a growth of 23% over the sales of the previous year. Out of this, ` 9258 lakhs came from the sales in the domestic market and ` 835 lakhs was from the sales in the overseas markets.

The company, through a series of stringent management initiatives in rationalising the operations, could achieve a higher sales and higher profitability in the year. Even though the Indian market for rubber threads saw a steady growth this year also in line with the trends in the past few years, it was not bereft of any turbulences. Your company faced issues like slowdown fears among the customers, stretched payment cycles etc. But irrespective of these factors and increased competition, your company continued to be successful in holding on to its market share during the year under review. In the export front, the company catered mainly to its regular customers who procure niche products. The company intends to expand the manufacturing capacity with an idea to target more of exports market. Your company follows prudent financial management practices and completed another

year of operations without any support for working capital from the financial institutions. In addition to that, your company was prudent to invest funds resulting in increased earnings.

BIFR PROCEEDINGS

The Company had submitted a fully tied up Draft Rehabilitation Scheme (DRS) which was approved by BIFR in the hearing held on 5th September 2011 and the directions had been complied with subsequently. The company is happy to announce that the net worth of the Company has turned positive and process has been initiated to delist the company from the BIFR.

DIVIDEND

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

AUDIT COMMITTEE

The Audit Committee had continued its deliberations during the year under review. The accounts for each quarter were reviewed by Audit committee before

placing before the Board. The observations of Internal and Statutory Auditors were also discussed during the review meetings.

CORPORATE GOVERNANCE

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

DIRECTORS

Mr. Dhiren S Shah and Mr. Patrick M Davenport, Directors retire by rotation and being eligible offer themselves for reappointment. Mr. M Jayabalan resigned from the Board with effect from 28/12/2011 and the board accepted the resignation with due appreciation to the services rendered by him.

The Board decided to pay Sitting Fee @ ` 20,000/- per Board meeting attended and ` 5,000/- per meeting for any committee meeting thereof.

AUDITORS

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

INDUSTRIAL RELATIONS

The Industrial Relations climate continues to remain harmonious and congenial. Your Directors wish to record their sincere appreciation of the efforts made and the support rendered by the employees at all levels.

STATUTORY DISCLOSURES

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

The Board of Directors Report -

- 1) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- 2) that the Directors have selected such accounting policies and 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 or loss of the company for that period.
- 3) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies act, 1956 for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.

- 4) the Directors have prepared the annual accounts on a going concern basis.

GROUP COMPANIES

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

- a) Rubpro Sdn. Bhd.; Malaysia

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

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

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

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

FIXED DEPOSIT

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

APPRECIATION

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

For and on behalf of Board of Directors

Bharat J. Patel
Chairman

Mumbai
05/07/2012

ANNEXURE TO DIRECTORS' REPORT

01. INFORMATION UNDER SECTION 217 (E) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES DISCLOSURE OF PARTICULARS RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31.03.2012.

A. CONSERVATION OF ENERGY

- a) During the year the following Energy Conservation measures were undertaken.
- Additional individual capacitors provided for high capacity motors.
 - Replaced mercury vapour lamps with Metal halide CF lamps in the main plant.
 - Rain Water harvesting system was extended to administration building with additional catchment area of 6000sq.Ft..
- b) Additional investment and proposal if any : Nil
- c) Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production :
 Energy conservation measures undertaken in the factory have resulted in reduction of unit consumption of energy.

B. TECHNOLOGY ABSORPTION

FORM - B (SEE RULE 2)

Form of Disclosure of Particulars with respect to Technology Absorption

Research and Development :

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

- 4) Expenditure on Research and Development
- | | |
|------------------------------------------------------------------------------------------|-------|
| a) Capital | : Nil |
| b) Recurring | : Nil |
| c) Total | : Nil |
| d) Total Research & Development charged to Expenditure as a percentage of total turnover | : Nil |

Technology - Absorption, Adaptation & Innovation

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

C) FOREIGN EXCHANGE EARNINGS & OUT GO (in ` lakhs)

1) FOREIGN EXCHANGE EARNINGS

- | | |
|--------------------|----------|
| a) Export of HRLRT | : 834.60 |
|--------------------|----------|

2) FOREIGN EXCHANGE OUT GO

- | | |
|-------------------------|---------|
| a) Raw materials | : 10.78 |
| b) Stores and Spares | : 9.35 |
| c) Professional Charges | : 3.00 |
| d) Testing Charges | : 1.08 |
| e) Travelling Expense | : 2.48 |
| f) Other Expenditure | : 4.84 |

Mumbai
05/07/2012

For and on behalf of
Board of Directors
Chairman

CORPORATE GOVERNANCE REPORT

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

a) Board of Directors

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

Non-Executive Chairman	Mr. Bharat J Patel
Non-Promoter Executive Director	Mr. G.Krishna Kumar
Promoter / Non-Executive Directors	Mr. Thomas Calton Thompson III Mr. Bharat J Dattani Mr. Dhiren S Shah
Non-Executive Independent Directors	Mr. Samir K Shah Mr. Patrik M Davenport

2) Attendance of Directors at Board Meeting and Annual General Meeting during the period 01.04.2011 to 31.03.2012.

Name of Director	No. of Board Meetings	Attended	Last AGM Attended	Sitting Fee
Mr.Bharat J Patel	7	7	Yes	Nil
Mr.M.Jayabalan	4	2	No	Nil
Mr.G.Krishna Kumar	7	6	Yes	Nil
Mr. Thomas Calton Thompson III	7	4	Yes	Nil
Mr.Bharat Dattani	7	6	Yes	Nil
Mr.Samir K Shah	7	4	No.	Nil
Mr.Dhiren Shah	7	6	Yes	Nil
Mr.Patrik M Davenport	7	5	Yes	Nil

Mr.M.Jayabalan has resigned from the Board with effect from 28/12/2011.

Seven Board Meetings were held during the year. The dates on which the meetings were held are 31/05/2011, 03/08/2011, 30/09/2011, 08/11/2011, 04/01/2012, 27/01/2012 and 15/02/2012.

- Review of accounting and financial policies and practices.

- Review of internal control system

b) Audit Committee

The Audit Committee of the Company has been constituted as per the requirements under Section 292 A of the Companies Act, 1956. Audit Committee continued its deliberations during the year under review.

c) Remuneration Committee:

The company had formed a Remuneration Committee in compliance with the Clause 49 of the Listing Agreement. The Committee met on 08/05/12 to fix the remuneration payable to Mr. G.Krishna Kumar, Managing Director.

The broad terms of reference are as follows :

- Review of company's financial reporting process and its financial statements

Details of remuneration paid to Managing Director for the year 2011- 12:

The aggregate of salary and perquisites paid for the year ended on 31.03.2012 to the Managing Director is as follows :

Mr.G.Krishna Kumar : 15.47 Lacs

d) Shareholder's / Investors' Grievance Committee

The company has constituted a Share Transfer Committee consisting of Mr.G.Krishna Kumar, Managing Director and Mr.N.N.Parameswaran, Chief Finance Officer & Company Secretary and the meetings are held every fortnightly. As on 31.03.2012, there are no complaints / queries pending reply. There were no share transfers pending for registration for more than 30 days as on the said date.

e) General Body Meetings

Location and time for the last three Annual General Meetings

Year	AGM	Location	Date	Time	No. of Special Resolutions
2008 - 09	AGM	Panchayat Kalyana Mandapam, Pudusserry	23/09/2009	11.30 a.m	Nil
2009 - 10	AGM	Panchayat Kalyana Mandapam, Pudusserry	25/09/2010	11.30 a.m	Nil
2010 - 11	AGM	SKM Auditorium, Kanjikode	30/09/2011	11.00 a.m	Nil

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

f) Disclosures

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

g) Means of Communication

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

h) General Shareholder information

- i. AGM Date, Time and Venue : 28/09/12 at 11.00 am at SKM Auditorium, Chedayankalai, Kanjikode
- ii. Financial Calendar 2012 - 13
- a) Results for the Quarter ended 30.06.12 : Before 14.08.12
- b) Results for the Quarter ended 30.09.12 : Before 14.11.12
- c) Results for the Quarter ended 31.12.12 : Before 14.01.13
- d) Results for the Quarter ended 31.03.13 : Before 31.05.13
- iii. Book Closure Date : 21/09/12 to 28/09/12 (both days inclusive)
- iv. Listing on Stock Exchanges : Mumbai Stock Exchange.
Listing Fees for the year 2012 - 13 have been paid to the Stock Exchange.

v) Stock market data :

Month	Bombay Stock Exchanges (BSE)	
	Month's High Price	Month's Low Price
April 2011	9.00	6.26
May 2011	10.00	7.10
June 2011	8.79	7.16
July 2011	10.45	7.52
August 2011	9.15	6.50
September 2011	7.90	6.95
October 2011	8.65	7.00
November 2011	8.48	6.75
December 2011	7.64	6.10
January 2012	8.09	6.70
February 2012	-	-
March 2012	-	-

NB :- Company has effected Capital Reduction and Consolidation of Share Capital as directed by Hon'ble BIFR during the month of February, 2012 and March, 2012 and hence no trading took place during this period.

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

i) **Shareholding Pattern as on 31.03.2012:**

Category	No. of Shares held	% of Share holding
Promoters	27704999	64.11
Mutual Funds and UTI	68000	0.15
Private Corporate Bodies	1831264	4.23
Public Individual	13613266	31.51
Total	43217529	100.00

j) **Distribution on Shareholding as on 31.03.2012**

No. of Shares held	No. of Shareholders	% of Shareholder	No. of Shares	% of Shareholding
1 - 500	42837	93.88	5144455	11.90
501 - 1000	1571	3.44	1185617	2.76
1001 - 2000	637	1.40	939118	2.17
2001 - 3000	151	0.33	365796	0.85
3001 - 4000	144	0.32	521718	1.23
4001 - 5000	57	0.12	256861	0.59
5001 - 10000	103	0.23	774555	1.76
10001 and above	131	0.28	34029309	78.74
Total	45631	100.00	43217529	100.00

k) Dematerialisation of Shares

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors. The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of the shares for scripless trading. The ISIN allotted for the shares of the Company is INE642C01025. As on 31.03.2012, 80% shares of the company were held in Dematerialised form.

l) Registrar / Transfer Agents / Depository Registrars :

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

M/s.Integrated Enterprises (I) Ltd

2nd Floor, "Kences Towers",

1, Ramakrishna St., North Usman Road,

T. Nagar, Chennai - 600 017

Tel : (044) 28140801 - 03

Fax : (044) 28142479

E-mail : yesbalu@iepindia.com

m) Share Transfer System :

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

n) 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 05/07/2012.

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

1. We have reviewed the compliance of Corporate Governance requirements by Rubfila International Ltd (the Company) during the period ended 31/03/2012, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions on Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.
4. We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company shareholders / investors grievance committee,
5. On the basis of our review and according to the informations and explanations provided to us, the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement (s) with the Stock Exchanges have been complied with in all material respect by the Company.

For **MOHAN & MOHAN ASSOCIATES**

Chartered Accountants

R. SURESH MOHAN

Partner

Thiruvananthapuram

08-05-2012

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATION

A) INDUSTRY STRUCTURE AND DEVELOPMENT

Rubber Thread is a product which touches the daily life of the people in the form of foundation garments and the industry thus plays an important role in meeting the requirements of the textile sector which consumes this product in abundance. The major application of the product goes for the manufacture of elastics used in foundation garments. The per capita consumption of the foundation garments in India remains at very low levels today even after healthy growths in the past few years and thus offers good potential for the industry. Rubber thread also finds more and more applications like Toys, fishing etc. Due to the widening consumer base, this segment could beat the recent recessionary trend, and is continuously growing

Market Scenario

Most of the production capacities of this product are based in Thailand, a shift which happened from Malaysia. China also is emerging as a major player in the industry. The rubber thread market is estimated to be growing at about 10% p.a, a healthy rate. India has been witnessing a major growth in the rubber thread consumption in the past few years in line with the growth in the economy. With the increase in disposable income in the hands of the people, the consumption patterns in many sectors have undergone a sea change leading to the growth of many consumer products which indirectly has helped the rubber thread industry also.

While the prices of sheet rubber saw declines in the past year, prices of centrifuged latex remained stable at higher levels. Consequently, the rubber thread prices also remained at higher levels.

The continuous improvement in turnover and profitability has proved right about the company's decision to give more thrust to the domestic market. However, Company continues to increase the share of Export market by concentrating on high realization products and markets.

Domestic market is fast growing and the company has been able to hold on to major share of the market irrespective many competitors in the market. The proximity to both raw material sourcing centers and a major market for the product, Tirupur is a unique advantage for the Company. By virtue of the quality of the product, and increasing marketing efforts, company is able to establish regular business from far off markets like Kolkata, Surat etc. Company is gearing up for optimum utilization of the plant capacity to meet the expected increase in demand.

(B) OPPORTUNITIES AND THREATS

Strength of the Company are:

1. Leader in the Domestic Market with Brand Image for quality products
2. Only manufacturer in India to manufacture Silicone Coated Rubber thread
3. Follows good Quality Management Systems with certifications for ISO 9001-2000 and ISO 14001.
4. Products certified with Oeko-Tex Standard 100.
5. Successful development of wide variety of premium niche products
6. Short lead time for domestic customers.
7. Highly qualified and motivated employees and good employee relations

The major threats being faced by the company are:-

1. Higher credit terms offered by other international suppliers.
2. Cheaper imports still continuing

(C) OUT LOOK

The Company continues to be a significant player in the Rubber Thread Market and hopes to retain its leadership position in the market. Innovations are part of the company's culture and it always strives to expand its customer base both in the country as well as in the international market. The company is hopeful of a positive business outlook for the rubber thread industry in the coming years.

(D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

(E) FINANCIAL AND OPERATIONAL PERFORMANCE

Please refer Board Report on performance review.

(F) MATERIAL DEVELOPMENTS IN HUMAN

RESOURCES / INDUSTRIAL RELATIONS FRONT

Industrial relations continue to be cordial and satisfactory. The existing wage settlement entered into between the Management and the Trade Unions expires on 31st March, 2014.

Risks and concerns

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

AUDITORS' REPORT

To,

The Share Holders,
Rubfila International Limited
Palakkad

1. We have audited the attached Balance Sheet of RUBFILA INTERNATIONAL LIMITED as at 31st March 2012 and also the statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles applied and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, as amended, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that : -
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the

Company so far as it appears from our examination of the books;

- (iii) The Balance Sheet, statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and comply with the Accounting standards referred to in sub section (3C) of section 211 of the Companies Act to the extent applicable.
- (iv) On the basis of the written representations received from the Directors of the Company as on 31st March 2012 and taken on record by the Board of Directors we report that none of the Directors are disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act 1956 on the said date.
- (v) Some of the balances of creditors, debtors, advance and deposits are subject to confirmation.

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

- (a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March 2012.
- (b) In the case of the statement of Profit and Loss Account, of the Profit of the Company for the year ended on that date.
- (c) In case of Cash Flow statement, of the cash flows for the year ended on that date.

For **MOHAN & MOHAN ASSOCIATES**
Chartered Accountants

Place: Thiruvananthapuram
Date: 08/05/2012

R.SURESH MOHAN
Partner
Membership No. 13398
Firm No: 002092S

ANNEXURE TO THE AUDITORS' REPORT TO THE SHARE HOLDERS OF RUBFILA INTERNATIONAL LIMITED, ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012.

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

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. According to the information given to us, these fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification, certain minor discrepancies which were noticed have been properly dealt with in the books of account.
2. According to the information given to us, we are of the opinion that the Company has not disposed off fixed assets during the year, which constitutes a major part of the plant and machinery or other fixed assets and thus such disposal has not affected the going concern concept of the Company.
3.
 - a. According to the information given to us, the inventory has been physically verified by the management during the year and the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - b. In our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification, certain minor discrepancies noticed during physical verification have been properly dealt with in the books of account.
4. According to the information and explanations given to us, the company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act.
5. We are of the opinion that there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the year we have not observed any continuing failure to correct major weaknesses in internal control.
6. According to the information and explanations given to us, transactions that need to be entered into the register in pursuance of section 301 of the Act have been correctly entered and each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
7. According to the information and explanations given to us, the Company has NOT accepted deposits from the public.
8. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
9. Cost records relating to utilisation of materials, labour and other items of cost as applicable to production are maintained by the company, but no detailed examination of such records has been carried out by us.
10. The company has been regular in depositing undisputed statutory dues in respect of Provident Fund, Employees' State Insurance, and TDS dues with the appropriate authorities. According to the information and explanations given to us there are no outstanding statutory dues as at the last day of the financial year concerned for a period exceeding six months from the date they became payable.
11. The Company has no dues of sales tax/income tax/custom duty/wealth tax/excise duty/cess, which have not been deposited on account of any dispute with the Department

concerned except the following:-

* Sales Tax Liability: (in ` Lakhs)

Nature of Dues	Forum before which the dispute is pending	Period	Demand	Provision
KGST	Dy. Commissioner (Appeals), Emakulam	2002-03	` 395.37	` 5.73
	- do -	2003-04	` 167.16	` 0.63
	- do -	2004-05	` 173.31	` 0.36
CST	- do -	2002-03	` 125.75	` 61.06
	- do -	2003-04	` 145.61	` 34.51
	- do -	2004-05	` 108.30	` 27.08

In the opinion of the management, the provision made above is considered appropriate for the disputed amounts mentioned above on the grounds that there are reasonable chances of successful outcome of appeals filed by the company.

12. The Company has no accumulated loss as on 31.03.2012. The company has not incurred cash losses during the current year and in the immediately preceding year.
13. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. Provisions of any special statute applicable to chit fund/nidhi/mutual benefit funds/societies are not applicable to the Company.
15. The company has traded in shares during the year. Proper records have been maintained for the transactions and contracts and timely entries have been made therein.
16. According to the information given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
17. According to the information given to us no term loan was availed by the company during the year.
18. According to the information given to us, and on the basis of an overall examination of the balance sheet of the company, we are of the opinion that the Company has not raised any funds on short-term basis for long-term investment. No long-term funds have been used to finance short-term assets, except for permanent working capital.
19. The company has made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act at the price which is not prejudicial to the interest of the company.
20. The Company has not issued any debenture during the year.
21. The Company has not raised any funds through public issue during the year.
22. According to the information given to us, no fraud on or by the company has been noticed or reported during the year.

For MOHAN & MOHAN ASSOCIATES
Chartered Accountants

Place: Thiruvananthapuram
Date: 08/05/2012

R. SURESH MOHAN (Partner)
Membership No.:13398
Firm No.002092S

Balance Sheet as at 31 March, 2012

Particulars	Note No.	As at 31st March, 2012 (in ` Lakhs)	As at 31st March, 2011 (in ` Lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	2,160.88	3,168.37
Reserves & Surplus	3	1,919.38	(3,258.74)
		4,080.26	(90.37)
Non-current liabilities			
Long-term borrowings	4	-	2,432.65
Long-term provisions	5	157.48	915.79
		157.48	3,348.44
Current liabilities			
Trade Payables	6	362.63	314.49
Other Current Liabilities	7	70.49	96.08
Short term provisions	8	70.36	24.30
		503.48	434.86
TOTAL		4741.22	3,692.93
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets		1,849.13	2,102.48
Intangible Assets	9	3.52	-
		1,852.65	2,102.48
Long-term loans and advances	10	391.51	284.40
		2,244.16	2,386.88
Current assets			
Inventories	11	282.73	195.91
Trade Receivables	12	1,089.98	845.52
Cash and Cash Equivalents	13	305.04	233.06
Short term Loans and advances	14	566.70	10.96
Other Current Assets	15	252.61	20.60
		2,497.06	1,306.05
TOTAL		4,741.22	3,692.93
Significant Accounting Policies & Notes forming part of the financial statements			
	1-37		

As per our reports attached.

For Mohan & Mohan Associates
Chartered Accountants

R. Suresh Mohan
Partner

Membership No : 13398

Firm No: 002092S

Place : Thiruvananthapuram

Date : 08/05/2012

For and on behalf of the Board of Directors

Bharat J Patel
Chairman

G.Krishna Kumar
Managing Director

N.N. Parameswaran
Chief Financial Officer & Company Secretary

Place : Coimbatore

Date : 08/05/2012

Statement of Profit and Loss for the year ended 31 March, 2012

Particulars	Note No.	For the year ended 31 March, 2012 in ` lakhs	For the year ended 31 March, 2011 in ` lakhs
Revenue from operations (gross)	16	10,092.84	8,233.51
Less : Excise duty		436.70	313.32
Revenue from operations (net)		9,656.14	7,920.19
Other income	17	111.34	17.57
Total revenue		9,767.48	7,937.76
Expenses			
(a) Cost of materials consumed	18	7,338.76	6,288.76
(b) Purchases of stock-in-trade	19	5.36	-
(c) Changes in inventories of finished good, work-in-progress and stock-in-trade	20	42.60	(23.62)
(d) Employee benefits expense	21	345.93	311.40
(e) Finance costs	22	8.60	4.16
(f) Depreciation and amortisation expense	9	277.13	276.39
(g) Other expenses	23	757.05	865.89
Total expenses		8,775.44	7,722.99
Profit before exceptional items and tax		992.05	214.77
Exceptional items	24	2,285.05	-
Profit before tax		3,277.10	214.77
Tax expense		-	-
Profit after Tax		3,277.10	214.77
Earnings per share (of ` 5/- each) :			
Basic & Diluted	25	2.99	0.68
Earnings per share (excluding extraordinary items) (of ` 5/- each):			
Basic & Diluted	25	9.88	0.68
Significant Accounting Policies & Notes forming part of the financial statements	1-37		

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

Membership No : 13398
 Firm No: 002092S
 Place : Thiruvananthapuram
 Date : 08/05/2012

For and on behalf of the Board of Directors

Bharat J Patel
Chairman

G.Krishna Kumar
Managing Director

N.N. Parameswaran
Chief Financial Officer & Company Secretary

Place : Coimbatore
 Date : 08/05/2012

Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	in ` lakhs		in ` lakhs	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		3,277.10		214.77
<i>Adjustment for</i>				
Depreciation and amortisation	271.70		276.31	
(Profit) / loss on sale / write off of assets	(0.71)		0.03	
Finance costs	8.60		4.16	
Interest income	(50.87)		(2.33)	
Net (gain) / loss on sale of investments	(8.11)		-	
Rental income from operating leases	(13.18)		(12.98)	
Liabilities / provisions no longer required written back	(33.01)		0.99	
Provision for bad doubtful debts	(7.52)		26.04	
Provision for contingencies	(2,285.05)		-	
Other non-cash charges - Preliminary Expenses	-		6.03	
	(2,103.12)		298.25	
Operating profit / (loss) before working capital changes		1,173.99		513.01
<i>Changes in working capital :</i>				
<i>Adjustments for (increase) / decrease in operating assets :</i>				
Inventories	(86.81)		(50.00)	
Trade receivables	(244.46)		(272.61)	
Short-term loans and advances	(555.74)		(122.69)	
Long-term loans and advances	(107.10)		(8.29)	
Other current assets	(232.01)		0.30	
Other non-current assets				
<i>Adjustments for increase / (decrease) in operating liabilities :</i>				
Trade payables	48.15		-	
Other current liabilities	(25.59)		203.31	
Short-term provisions	46.06		-	
Long-term provisions	(758.30)		-	
	(1,915.82)		(249.98)	
		(741.83)		263.03
Cash flow from extraordinary items		2,319.36		(27.06)
Cash generated from operations		1,577.53		235.98
Net income tax (paid) / refunds		-		
Net cash flow from / (used in) operating activities (A)		1,577.53		235.98

Cash Flow Statement contd....

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	in ` lakhs	in ` lakhs	in ` lakhs	in ` lakhs
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(28.78)		(172.39)	
Proceeds from sale of fixed assets	6.90		0.15	
Interest received	50.87		2.33	
Rental income from operating leases	13.18		12.98	
Cash generated from investments		42.17		(156.93)
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		42.17		(156.93)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	893.53		-	
Repayment of long-term borrowings	(2,432.65)		-	
Finance cost	(8.60)		(4.16)	
		(1,547.72)		(4.16)
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) financing activities (C)		(1,547.72)		(4.16)
Net increase/(decrease) in Cash and cash equivalents (A + B + C)		71.98		74.88
Cash and cash equivalents at the beginning of the year		233.06		158.18
Cash and cash equivalents at the end of the year		305.04		233.06

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

R. Suresh Mohan
Partner

Membership No : 13398
 Firm No: 002092S
 Place : Thiruvananthapuram
 Date : 08/05/2012

For and on behalf of the Board of Directors

Bharat J Patel
Chairman

G.Krishna Kumar
Managing Director

N.N. Parameswaran
Chief Financial Officer & Company Secretary

Place : Coimbatore
 Date : 08/05/2012

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS

Corporate information

Rubfila International Limited (RIL) is a Public Limited Company promoted by Rubpro Sdn. Bhd., Malaysia and Kerala State Industrial Development Corporation. The State of the Art infrastructure facility of is 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 produces rubber threads for various applications like apparel, food grade, furniture webbing, bungee jumping, toys, medical netting, diapers, catheter manufacturing etc.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

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

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Current - Non Current Classification

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

Assets

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

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

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

- a) it is expected to be settled in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the balance sheet date; or
- d) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

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

1.3 Inventories

Raw Materials are valued at the lower of cost on FIFO basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of consumption, 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 Realisable Value whichever is less.

1.4 Current Assets

Company had made Short term investments in shares of two companies, namely, UTV Software Communications and Carol Information Services. The Shares were surrendered during the financial year. Realisable value on sale of shares is shown as Asset as its realisation falls due only after 31st March, 2012. Gain from sale of shares is shown in the statement of Profit & Loss as income.

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 the above is recognised in the Statement of Profit and Loss.

1.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

1.6 Cash flow statement

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

1.7 Fixed assets and Intangible Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes all incidental expenses and transportation cost incurred up to that date for bringing the asset to its working condition for the intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset. Intangible Asset comprise of Computer Software (ERP) and it is carried at cost less amortisation.

1.8 Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 on assets which have been installed and put to use during the year. Intangible assets are amortised over their estimated useful life as follows :

During the year Company had purchased an ERP Software and has been capitalised as Computer Software. Since it is an Intangible Asset, Company has decided to amortise the cost incurred for Software development over a period of 3 years. Hence depreciation has been provided on Straight Line Method at a rate of 33% in order to amortise the asset over 3 years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

1.9 Revenue recognition

Sales are recognised, 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.

1.10 Other income

Interest income and Lease Rental Income are accounted on accrual basis. Income from export entitlement benefits is accounted as and when the certainty of entitlement is determined. Other Income also includes gain from sale of fixed asset and sale of investments in shares.

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 (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Exchange differences on settlement / restatement of monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

1.12 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. The Company had obtained 4 advance licenses for duty free import of raw material.

Company has met the export obligation in full for Rs. 55,00,047/- against License No. 4088; Rs. 11,888,042 against License No. 4241. Necessary applications for redemption of these licenses have been made and are awaiting approval of JDGFT. Export obligations in respect of the Third License No. 4490 along with the fourth, with No. 4760 have also been fully met for Rs. 26,662,385. The Company is in the process of submitting documents for redemption of licenses with JDGFT. Export benefits are accounted on receipt basis only.

1.13 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, Medical facilities, ESI and Leave encashment facility.

Defined contribution plans

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

Defined benefit plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and 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 the 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 to Countries in Asia, Africa and Europe, and Revenue within India, i.e., Sales in Domestic Market.

1.15 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating

leases. Lease rentals under operating leases are recognised 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 the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Since the company doesn't have any potential Equity shares, Dilute & Basic EPS are the same

1.17 Taxes on income

In view of exemption from the purview of the provisions of Sec 115 JB of the Income Tax Act, 1961, being a Sick Industrial Company registered with BIFR, the entire book profit is exempt from tax and hence the company does not envisage any tax liability for the year. The Company has worked out deferred tax liabilities/assets as at 31st March 2012. In view of unclaimed allowances, unabsorbed depreciation and business losses under tax laws; net result of computation is net deferred tax assets. However, as a matter of prudence deferred tax assets has not been recognized.

1.18 Provisions and contingencies

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

NOTE FORMING PART OF ACCOUNTS

The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Amounts in the Financial Statements are presented in ` Lakhs. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

NOTE 2. SHARE CAPITAL

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	in ` lakhs	Number of shares	in ` lakhs
Authorised Capital				
Equity shares of ` 5 each with voting rights	70000000	3,500.00		
Equity shares of ` 10 each with voting rights			35000000	3,500.00
Issued, Subscribed and Paid up Capital				
Equity shares of ` 5 each with voting rights	43217529	2,160.88		
Equity shares of ` 10 each with voting rights			31683707	3,168.37
Total	43217529	2,160.88	31683707	3,168.37

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 31 March, 2012		As at 31 March, 2011	
	Number of shares	in ` lakhs	Number of shares	in ` lakhs
Shares outstanding at the beginning of the year	31683707	3168.37	31683707	3168.37
Less : Share Capital written off by 60% under BIFR Scheme	-	1901.02	-	-
Shares with Face Value of ` 4 each (Previous year ` 10 each)	31683707	1267.35	31683707	3168.37
Less : Reduction and Consolidation of Share Capital of ` 4/- into ` 5/- Face Value under BIFR scheme	6336742	-	-	-
Shares with Face Value of ` 5/- Share (Previous year ` 10/- Share)	25346965	1267.35	31683707	3168.37
Add: Fresh issue of Shares @ ` 5/- Share	17870564	893.53	-	-
Shares outstanding at the end of the year	43217529	2160.88	31683707	3168.37

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

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of share held	% holding in that class of shares	Number of share held	% holding in that class of shares
Equity shares with voting rights				
Rubpro Sdn. Bhd., Malaysia	7316608	16.93	4700000	14.83
Minal Bharat Patel	4640480	10.73	296384	0.93
Bharat Jamnadas Dattani	2600000	6.01	-	-
Kerala State Industrial Development Corporation Ltd.	2736000	6.33	3420000	10.79

NOTE 3. RESERVES & SURPLUS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(3,258.74)	(3,473.51)
Capital Reduction A/c (Reserve created due to Reduction of Paid up Share Capital under BIFR Scheme which is utilized to set off against the debit balance of Profit & Loss a/c)	1,901.02	-
	(1,357.72)	(3,473.51)
Add: Profit / (Loss) for the year	3,277.10	214.77
Closing balance	1,919.38	(3,258.74)

NOTE 4. LONG TERM BORROWINGS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Unsecured, Considered Good		
Loans and advances from related parties -		
Loan from Promoters / Associates	-	465.70
Rubpro Sdn Bhd Loan - ECB	-	156.95
From other parties		
PAT Financial Consultants P Ltd	-	1,810.00
Total	-	2,432.65

NOTE 5. LONG TERM PROVISIONS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Provision for Contingent Laibilities	155.57	594.70
Other Provisions		
- Royalty to Promoters	-	319.58
- Sales Tax Differential Payable	1.91	1.50
Total	157.48	915.79

NOTE 6. TRADE PAYABLE

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Trade payables	362.63	314.49

NOTE 7. OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Statutory Dues Payable	21.99	21.79
Advance from Customers	11.70	40.52
Provision for Expense	35.81	33.08
Other Payables	0.99	0.69
Total	70.49	96.08

NOTE 8. SHORT TERM PROVISIONS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Provision for Employee benefits		
Salary and Bonus	53.29	16.61
Un availed Leave	17.07	7.69
Total	70.36	24.30

NOTE 9 : FIXED ASSETS

Particulars	Gross block			Accumulated depreciation				Net block	
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation for the year	Eliminated disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2011
Tangible Assets									
Land	134.65	0.79	-	135.45	-	-	-	135.45	134.65
Building	411.31	7.04	-	418.34	129.36	12.79	-	276.20	281.94
Plant & Equipment	4,928.01	13.24	6.90	4,934.35	3,264.92	258.80	5.43	1,416.07	1,663.09
Furniture & Fixtures	21.80	1.36	-	23.16	14.40	1.35	-	7.41	7.40
Vehicles	9.85	-	-	9.85	4.41	0.90	-	4.55	5.44
Office Equipment	16.40	0.67	-	17.07	10.39	0.76	-	5.92	6.01
Computer & Accessories	42.33	0.97	-	43.30	38.40	1.35	-	3.55	3.93
	5,564.35	24.08	6.90	5,581.52	3,461.87	275.95	5.43	1,849.13	2,102.48
Intangible Assets									
Computer Software	-	4.70	-	4.70	-	1.18	-	3.52	-
	-	4.70	-	4.70	-	1.18	-	3.52	-
Total	5,564.35	28.78	6.90	5,586.22	3,461.87	277.13	5.43	1,852.65	2,102.48
Previous Year	5,392.10	172.39	0.15	5,564.35	3,185.56	276.39	0.08	2,102.48	2,206.54

NOTE 10. LONG TERM LOANS & ADVANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Unsecured, Considered Good		
Balances with Government Authorities		
- VAT Credit Receivable (see note below)	359.85	255.36
Advance Income Tax	8.32	6.39
Balance with Banks in earmarked accounts	8.10	8.29
Security Deposits	15.24	14.35
Total	391.51	284.40

Details of VAT Credit Receivable:

Period	Rs. (In Lacs)	Status
2005-06	12.00	Assessment taken up
2006-07	15.86	Appeal allowed. Order yet to be implemented
2007-08	15.20	Assessment Pending
2008-09	43.12	Assessment Pending
2009-10	62.55	Assessment Pending
2010-11	106.63	Assessment Pending
2011-12	104.49	Assessment Pending
TOTAL	359.85	

NOTE 11. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
(a) Raw materials	133.25	79.01
(b) Work-in-progress	77.21	9.16
(c) Stores & Spares	24.01	16.88
(d) Finished goods	48.26	90.86
Total	282.73	195.91

NOTE 12. TRADE RECEIVABLES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
unsecured, considered good	7.89	3.46
Doubtful	17.14	22.68
	25.03	26.15
Less : Provision for doubtful trade receivables	17.14	22.68
	7.89	3.46
Other Trade receivables		
Unsecured, considered good	1,082.08	842.06
Doubtful	2.68	26.04
	1,084.76	868.10
Less : Provision for doubtful trade receivables	2.68	26.04
	1,082.08	842.06
Total	1.089.98	845.52

NOTE 13. CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
(a) Cash on hand	0.82	1.33
(b) Balances with banks		
(i) In current accounts	226.06	165.06
(ii) In deposit accounts	78.16	66.66
Total	305.04	233.06

NOTE 14. SHORT TERM LOANS & ADVANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Unsecured, Considered Good		
Balances with Government Authorities		
- CENVAT credit receivable	5.37	5.94
- Service Tax Credit Receivable	1.58	0.44
Loans and Advances to Employees	0.16	0.21
Prepaid Expense	9.58	4.37
Secured, Considered Good		
Inter Corporate Deposits	550.00	-
Total	566.70	10.96

NOTE 15. OTHER CURRENT ASSETS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
Interest Accrued on Deposits	0.86	0.12
Interest Accrued on Inter Corporate Deposits	7.23	-
Receivable on sale of Current Investments in Shares	227.39	-
Advance to Suppliers	17.13	20.48
Total	252.61	20.60

NOTE 16. REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
(a) Sale of products	10,008.40	8,151.47
(b) Other operating revenues	84.44	82.03
	10,092.84	8,233.51
(c) Less : Excise duty	436.70	313.32
Total	9,656.14	7,920.19

NOTE 17. OTHER INCOME

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Interest income		
- on deposits with banks and other balances	5.99	2.33
- On Inter Corporate Deposits	42.65	-
- Current investments in Mutual Funds	0.29	-
- Income Tax Refund	0.23	-
- Others	1.71	-
Gain on sale of Current Investments in Shares	8.11	-
Rental income from operating leases	13.18	12.98
Profit on sale of fixed assets	0.71	-
Liabilities/provisions no longer required written back	33.01	(0.99)
Miscellaneous income	5.47	3.24
Total	111.34	17.57

NOTE 18. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Opening stock	83.19	49.54
Add: Purchases	7,455.76	6,322.40
	7,538.95	6,371.94
Less: Closing stock	200.19	83.19
Cost of material consumed	7,338.76	6,288.76
Material consumed comprises:		
- Latex / Rubber / Chemicals	7,235.55	6,203.19
- Packing Materials	103.21	85.57
Total	7,338.76	6,288.76

NOTE 19. PURCHASE OF TRADED GOODS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	in ` lakhs	in ` lakhs
ISNR 20	5.36	

NOTE 20. CHANGES IN INVENTORIES IN FINISHED GOODS

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Finished goods at the end of the year	48.26	90.86
Finished goods at the beginning of the year	90.86	67.24
Net (increase) / decrease	42.60	(23.62)

NOTE 21. EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Salaries and wages	289.36	244.79
Contributions to provident and other funds	38.21	48.89
Staff welfare expenses	18.36	17.72
Total	345.93	311.40

NOTE 22. FINANCE COST

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
(a) Interest expense on:		
- Interest on delayed payment of income tax	0.24	1.84
- Others - Bank Charges and Commission	5.72	4.00
(b) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	2.64	(1.67)
Total	8.60	4.16

NOTE 23. OTHER EXPENSE

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Consumption of stores and spare parts	19.92	35.76
Power and fuel	337.96	354.74
Effluent Treatment Expense	26.04	16.75
Rent including lease rentals	13.42	1.66
Repairs and maintenance		
- Buildings	15.53	13.55
- Machinery	6.46	3.26
- Others	67.86	78.59
Insurance	0.26	0.81
Rates and taxes	11.49	139.16
Rubber Board Cess	54.80	40.91
Communication	6.60	5.90
Travelling and conveyance	26.89	26.98
Printing and stationery	3.15	2.76
Freight and forwarding	66.43	64.06
Sales commission	42.86	0.66
Sales discount	9.58	10.08
Business promotion	1.51	0.90
Donations and contributions	0.38	0.19
Legal and professional	12.39	12.45
Payments to auditors		
- For statutory audit	0.75	0.75
- For taxation matters	0.25	0.25
- For company law matters	0.10	0.10
- For management services	0.40	0.40
- Reimbursement of expenses	0.90	0.51
Secretarial Expense		
- AGM Expense	4.39	4.98
- List up fee	2.07	1.85
- Share Transfer Charges	2.98	3.03
- Expenses related to Reduction and Consolidated of Shares	18.71	-
Loss on fixed assets sold	-	0.03
Provision for bad & doubtful debts for the year	7.52	26.04
Less : Bad debts provided in the previous year recovered	(28.30)	-
Deferred Revenue Expenditure	-	6.03
Prior period items	1.06	(5.90)
Miscellaneous expenses	22.69	18.65
Total	757.05	865.89

NOTE 24. EXCEPTIONAL ITEMS

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Provision for Contingent Liability Reversed <i>(Refer Note 36)</i>	439.13	-
Waiver Under BIFR Scheme for Rehabilitation:		
1) Loan from PAT Financial Consultants P Ltd	1,560.00	-
2) ECB from Rubpro Sdn Bhd	94.17	-
3) Royalty to Promoters	191.75	-
Government grants that have become refundable	-	-
Total	2,285.05	-

NOTE 25. EARNING PER SHARE

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Earnings per share of ` 5 each	(face value of ` 5/-)	(face value of ` 10/-)
Weighted average number of equity shares	33167887	31683707
Basic & Diluted		
Profit for the year before extraordinary items (` lakhs)	992.05	214.77
Basic EPS (before Extraordinary items) (`)	2.99	0.68
Net profit for the year (` lakhs)	3,277.10	214.77
Basic EPS (after extraordinary items) (`)	9.88	0.68

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 or Convertible Bonds, Dilutive EPS will be the same as Basic EPS and hence Dilute EPS is not computed.

**NOTE 26. CONTINGENT LIABILITIES & COMMITMENTS
(to the extent not provided for)**

Particulars	As at 31 March 2012	As at 31 March 2011
	in ` lakhs	in ` lakhs
(a) Claims against the Company not acknowledged as debt:		
- Duty Draw back	391.73	-
- Sales Tax Liability <i>(see note below)</i>	986.13	986.13
(b) Guarantees:		
- Bank Guarantee with PNB	8.10	-
- Bank Guarantee with CSB	-	8.29

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	₹ 5.73
	-do-	2003-04	₹ 167.16	₹ 0.63
	-do-	2004-05	₹ 173.31	₹ 0.36
CST	-do-	2002-03	₹ 125.75	₹ 61.06
	-do-	2003-04	₹ 145.61	₹ 34.51
	-do-	2004-05	₹ 108.30	₹ 27.08
		Total	₹ 1115.51	₹ 129.38

The Company has provided 129.38 Lakhs against the demand of 1115.51 Lakhs in the year 2010-2011. In the opinion of the management, the provision made above is considered appropriate for the disputed amounts mentioned above on the ground that there are reasonable chances of successful outcome of appeals filed by the company.

NOTE 27. VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ₹ lakhs	in ₹ lakhs
Raw materials	2.38	84.72
Components	-	-
Spare parts	9.35	4.16
Finished Goods	8.40	-
	20.13	88.88

NOTE 28. ACTIVITY IN FOREIGN CURRENCY

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ₹ lakhs	in ₹ lakhs
Earnings in foreign exchange:		
Export of goods calculated of FOB basis	834.60	442.99
Expenditure in foreign currency :		
Testing Charges	1.08	1.15
Professional and consultation fees	3.00	-
Travelling Expense	2.48	0.10
Other matters	4.84	-
	11.40	1.25

NOTE 29. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	For the year ended 31 March, 2012	
	in ` lakhs	%
Imported		
Raw materials	2.38 <i>84.72</i>	0.03 <i>1.31</i>
Spare parts	9.35 <i>4.16</i>	7.59 <i>3.43</i>
Total	11.73 <i>88.88</i>	0.15 <i>1.35</i>
Indigenous		
Raw materials	7454.56 <i>6375.79</i>	99.97 <i>98.69</i>
Spare parts	113.77 <i>117.17</i>	92.41 <i>96.57</i>
Total	7568.33 <i>6492.96</i>	99.85 <i>98.65</i>

Note:- Figures / percentages in Italics relates to the previous year

NOTE 30. DETAILS OF GOVERNMENT GRANTS

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Government grants received by the Company during the year towards Duty Drawback (recognized under other operating revenues.	20.98	4.18

NOTE 31. EMPLOYEE BENEFITS PLAN

The Company makes Provident Fund and Superannuation 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. ` 19.45 (Year ended 31 March, 2011 ` 18.66) for Provident Fund contributions and ` 1.70 (Year ended 31 March, 2011 ` 1.75) for Superannuation 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, 2012 :

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
1 Assumption		
Discount Rate	8%	8%
Salary Escalation	7%	7%
2 Table showing changes in present value of Obligation		
Present value of obligation as at the beginning of the year	69.60	44.69
Interest Cost	5.57	3.56

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		in ` lakhs	in ` lakhs
	Current Service Cost	4.16	3.80
	Benefits Paid	(2.61)	(4.73)
	Actuarial (gain) / loss on obligation	(2.27)	22.27
	Present Value of obligation at the end of the year	74.45	69.60
3	Table showing changes in the Fair value of Plan assets		
	Fair Value of Plan assets at the beginning of year	68.29	47.48
	Expected return of Plan assets	6.28	5.10
	Contributions	5.48	20.44
	Benefits paid	(2.61)	(4.73)
	Actuarial (gain) / loss on Plan assets	Nil	Nil
	Fiar Value of Plan assets at the end of year	77.44	68.29
4	Table showing fair value of Plan assets		
	Actual return on Plan assets	68.29	47.48
	Expected return on Plan assets	6.28	5.10
	Contributions	5.48	20.44
	Benefits paid	(2.61)	(4.73)
	Fair Value of Plan assets at the end of year	77.44	68.29
	Funded Status	2.99	(1.32)
	Excess of Actual over estimated return on plan assets	Nil	Nil
	(Actual Rate of return = Estimated rate of return as ARD falls on 31st March)		
5	Actuarial (Gain) / Loss recognised		
	Actuarial (gain) / loss on obligation	2.27	(22.27)
	Actuarial (gain) / loss on Plan assets	Nil	Nil
	Total Actuarial (Gain) / Loss for the year	(2.27)	22.27
6	The amounts to be recognised in the Balance Sheet and Statements of Profit / Loss		
	Present Value of obligation at the end of the year	74.45	69.60
	Fair Value of Plan assets at the end of year	77.44	68.29
	Funded Status	2.99	(1.32)
	Net Asset / (Liability) recognised in the Balance sheet	(2.99)	1.32
7	Expenses recognised in Statement of Profit & Loss		
	Current Service Cost	4.16	3.80
	Interest Cost	5.57	3.58
	Expected Return on Plan assets	(6.28)	(5.10)
	Net Actuarial (Gain) / Loss recognised in the year	(2.27)	22.27
	Expenses recognised in the statement of Profit & Loss	1.18	24.54

NOTE 32. 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 to Countries in Asia, Africa and Europe, and Revenue within India, i.e., Sales in Domestic Market.

The geographic segments individually contributing to the Company's revenues and segment assets are as follows:

Geographic Segment	Revenues For the year ended 31 March, 2012	Segment assets As at 31 March 2012
	in ` lakhs	in ` lakhs
Outside India		
Asia	196.18	41.39
(Hongkong, Malaysia, Japan, SriLanka)	<i>254.83</i>	<i>30.99</i>
Europe	362.63	0.00
(U.K., Italy, Spain, Poland, Turkey, Austria)	<i>146.73</i>	<i>0.01</i>
Africa	61.66	0.00
(Zambia, Kenya, South Africa)	<i>0.54</i>	<i>0.00</i>
America	0.00	0.35
(US)	<i>2.69</i>	<i>0.30</i>
Within India	8951.24	1048.24
	<i>7433.37</i>	<i>814.21</i>

Note:- Figures in Italics relates to the previous year

NOTE 33. RELATED PARTY DISCLOSURE
Details of related parties:
Promoters / Associates :

M/s Entelechy Holdings Corporation

Ms. Annie Guat Chew

Mr. Barry Yates

Mr. Christopher Chong

Ms. Bharati Bharat Dattani

Mr. Bharat Jamnadas Dattani

Bharat Jamnadas HUF

Ms. Minal Bharat Patel

Mr. Dhiren S Shah

M/s Rubpro Sdn Bhd.

Key Management Personnel

Mr. G. Krishnakumar (Managing Director)

Details of related party transactions during the year & balances outstanding as at 31 March, 2012:

in ` lakhs

Particulars	Promoters / Associates	Key Management Personnel	Total
Equity Shares issued against Loan brought in by the Promoters and its Associates as per BIFR order dt 05.09.2011	893.53		893.53
Finance (including loans and equity contributions in cash or in kind)	<i>0.00</i> 250.00		<i>0.00</i> 250.00
Write off / write back made during the year	<i>0.00</i> 285.92		<i>0.00</i> 285.92
Remuneration	-	15.48 <i>14.31</i>	15.48 <i>14.31</i>
Balances outstanding at the end of the year			
Trade payables	0.00 <i>319.58</i>		0.00 <i>319.58</i>
Borrowings	0.00 <i>622.65</i>		0.00 <i>622.65</i>

Note:- Figures in Italics relates to the previous year

NOTE 34. LEASE

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
As Lessor The Company has entered into operating lease arrangements for certain surplus facilities. The lease is cancellable by giving 2 months notice, for a period of 3 years from 1st April, 2011 and may be renewed for a further period of 3 years based on mutual agreement of the parties Lease rent per quantity of output is ` 1/Litre sold	13.18	12.98
As Lessee The Company had entered into operating lease arrangements for certain facilities and office premises. The leases were cancellable from 19th September, 2011 and the lease was terminated as on 31st March, 2012. Lease Rent per month is ` 2.25 Lakhs Lease payments recognised in the Statement of Profit and Loss (November - March)	11.25	-

NOTE 35. DEFERRED TAX CALCULATION

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	in ` lakhs	in ` lakhs
Deferred Tax Liability		
Fixed Assets	366.49	435.32
Total	366.49	435.32
Deferred Tax Asset		
Leave Encashment Liability	5.46	2.56
Provision for doubtful debts	6.43	14.99
Sales Tax Liability	2.43	1.32
Provision for Contingent Liability	177.56	197.55
Unabsorbed depreciation carried forward	718.00	1067.38
Brought forward business losses	-	32.34
Unpaid Interest of Banks	-	335.16
Others	-	106.16
Tax effect of items constituting deferred tax assets	909.88	1,757.46
Net deferred tax (liability) / asset	543.39	1,322.14

Note:- The Company has not created any Deferred Tax Asset and hence is not recognised in the Financial Statements.

NOTE 36. DETAILS OF PROVISIONS

The Company has made provision 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, 2011	Additions	Reversal (withdrawn as no longer required)	As at 31st March, 2012
	in ` lakhs	in ` lakhs	in ` lakhs	in ` lakhs
Provision for Contingencies				
Electricity Charges	21.00	-	21.00	-
	<i>21.00</i>	-	-	<i>21.00</i>
Excise Duty on Sale of Scrap	16.21	-	16.21	-
	<i>16.21</i>	-	-	<i>16.21</i>
ESI Contribution on payment to Contractors	-	-	-	-
	<i>3.50</i>	-	<i>3.50</i>	-
Sales Tax	133.89	-	-	133.89
	<i>4.51</i>	<i>129.38</i>	-	<i>133.89</i>
Financial Charges on disputed Liabilities	31.88	-	10.20	21.68
	<i>31.88</i>	-	-	<i>31.88</i>
Duty Draw Back	391.73	-	391.73	-
	<i>391.73</i>	-	-	<i>391.73</i>
Total	594.71	-	439.14	155.57
	<i>468.83</i>	<i>129.38</i>	<i>3.50</i>	<i>594.71</i>

Note:- Figures in Italics relate to the previous year.

NOTE 37. PRIOR YEAR COMPARATIVES

The financial statements for the year ended 31 March 2011, had been prepared as per the applicable, pre-revised Schedule VI to the Companies Act 1956. Consequent to the notification of the Revised Schedule VI under the Companies Act 1956, the financial statements for the year ended 31 March 2012 are prepared as per the Revised Schedule VI. Accordingly, the previous year figures have been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements as at 31 March 2011.



ATTENDANCE SLIP

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

Shares held _____

Regd. Folio No. _____ DP ID* _____ Client ID* _____

(Name in BLOCK letters) _____

I hereby record my presence at the Nineteenth Annual General Meeting of the Members of the Company being held today, the 28 th September, 2012 at 11.00 a.m. at SKM Auditorium, at Chedayankalai, Kanjikode.

Member's / Proxy's Signature

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

* Applicable for Shareholders holding Shares in electronic form.

PROXY FORM



Shares held _____

Regd. Folio No. _____ DP ID* _____ Client ID* _____

(Name in BLOCK letters) _____

I/We _____ of _____ in the district

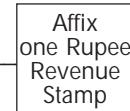
of _____ being a Member/Members of the above-named Company, hereby appoint _____

_____ of _____ in the district of _____

_____ or failing him _____ of _____ in the district of _____

_____ as my / our proxy to vote for me / us on my / our behalf at the 19th Annual General Meeting of the Company to be held on 28 th September 2012 at SKM Auditorium, at Chedayankalai, Kanjikode and at any adjournment thereof.

Signature _____



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

* Applicable for Shareholders holding Shares in electronic form.

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