

RUBFILA INTERNATIONAL LTD

{CIN L25199KL1993PLC007018}

Disclosure Document

(Clause 5.1 of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999)

Part A: Statement of Risks

1. Concentration : The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.
2. Leverage : Any change in the value of the share can lead to a significantly larger change in the value of the option as an option amounts to a levered position in the share.
3. Illiquidity : The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their options before they are exercised.
4. Vesting : The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employee is terminated for gross misconduct.

For Rubfila International Ltd.


N. N. PARAMESWARAN
CFO & Company Secretary

Part B: Information about the Company

History, main objects and present business of the Company

History: -

RUBFILA INTERNATIONAL LIMITED (RIL) is a Company promoted in the private sector, by RUBFIL SDN. BHD. Malaysia, along with Kerala State Industrial Development Corporation (KSIDC), to manufacture Extruded Round Latex Rubber Thread. The Company was incorporated on 05th March, 1993.

Main Objects: -

Our main objects enable us to carry on the business that is carried on and proposed to be carried on by us as contained in our Memorandum are as follows:

1. To carry on the business as manufacturers of rubber products and derivatives of rubber including threads, manufacturers of and dealers in all kinds of rubber products and components used in connection therewith; and to manufacture, buy, sell, supply, deal in and act as agents for all kinds of rubber products.
2. To carry on the business of consulting, developing, processing, importing, exporting and otherwise dealing in computer software, computer hardware, computer and communication system, networking, artificial intelligence and information technology, medical and other transcription, to establish own and operate data processing centres, computer education centres and data communication networks and to offer all types of image processing, internet, extranet, e-mail, e-commerce, pre-pass services, all other value added telecommunication related products and services.
3. To carry on the business of manufacturing, producing, buying, selling, importing, exporting in any manner dealing in all types of yarns including Synthetic Elastomeric Yarn.

Present Business: -

Rubfila International Ltd is engaged in the manufacturing of Latex Rubber Thread. With total revenue of Rs.18513.09 Lacs in the year ended 31st March, 2017, Rubfila is the largest manufacturer of Latex Rubber Thread in India. Rubfila mainly caters to the need of Textile Industry and its products are also finds its application in fishing baits, toys like koosh balls and doll hair, Medical nettings, braids, laces, cords etc.

Abridged Financial Information:-

Financial Highlights – Rubfila International Ltd (Standalone)


For Rubfila International Ltd.
N. N. PARAMESWARAN
CFO & Company Secretary

PROFIT & LOSS ACCOUNT

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Income	10173.20	12672.02	16251.66	16569.32	17883.83
Profit before tax & Exceptional /Extra-ordinary Items	1348.55	1397.27	2001.82	1316.59	1849.94
Add/(Less) Exceptional/Extra-Ordinary Items	-	-	39.95	1.25	82.26
Profit before tax	1348.55	1397.27	2041.77	1317.84	1932.20
Profit after tax	1329.97	928.85	1358.87	802.83	1252.27

DIVIDENDS

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Equity Dividend %	12%	12%	15%	10%	15%

BALANCE SHEET

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
LIABILITIES					
Equity Capital	2160.88	2160.88	2160.88	2160.88	2160.88
Reserves & Surplus	2945.98	3571.45	4540.19	5082.92	5945.06
Shareholder's Funds	5106.85	5732.33	6701.07	7243.80	8105.94
Debt	1093.82	1301.68	2484.27	2257.10	2686.04
Deferred Tax Liability (Net)	0	249.38	236.98	234.11	251.03
Total Liabilities	6200.67	7283.39	9422.32	9735.01	11043.01
ASSETS					
Net Fixed Assets	1632.46	2789.08	2871.56	2777.41	3617.35
Capital WIP	847.69	0	0	0	0
Intangible Assets	2.21	0.54	2.82	1.51	0.20

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 CFO & Company Secretary

Investments	25.41	21.10	609.94	853.60	874.83
Deferred Tax Asset (net)	2.31	0	0	0	0
Net Current Assets	3690.59	4472.67	5938.00	6102.48	6550.63
Misc. Expenditure NW/Off	0	0	0	0	0
Total Assets	6200.67	7283.39	9422.32	9735.01	11043.01

Risk Factors and Risks Relating to Our Business

The risks described below should be carefully considered before making an investment decision. Additional risks not presently known to the Company or that it currently deems immaterial may also impair the Company's business operations. The Company's business, financial condition or results of operations could be materially adversely affected by any of these risks.

Our revenues and profit could decline if there is a decline in Textile Industry :

Rubber Threads is a product which mainly goes into the manufacture of elastics for undergarments. Any downward swing in the textile industry due to governmental policy change or otherwise will have a impact on the rubber thread industry as well.

Introduction of Licra, a substitute for Elastics being considered by the textile industry can pose a potential threat

Uncertainty in Rawmaterials (Latex) price :

The price of latex, basic rawmaterial, is highly volatile and fluctuating in nature. International latex price has a direct impact on the rubber price in India. When the international price is low there will be cheap import of Rubber Thread (our finished product) into Indian market, whereas for the import of rubber latex Government has fixed the customs duty as high at 70%. When the international rubber market shows an upward trend there will be a tendency of exporting rubber latex from India resulting in shortage of raw material for the rubber thread manufacturers in India.

This unhealthy rubber price fluctuations both in India and abroad will have a direct impact on the profitability of the Company.

Our revenues and expenses are difficult to predict and can vary significantly from quarter to quarter, which could cause the price of our Equity Shares to fluctuate.

Our revenues and profitability have grown rapidly in recent years and are likely to vary significantly in the future from period to period, due to the improvement in our market condition or the decline in the market condition, labour unrest if any.

Our revenues could also fluctuate based on the achievement or the missing of targets fixed for a particular year as well as increasing / decreasing of market demand for the product. Therefore, we believe that

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period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. It is possible that in the future some of our results of operations may be below the expectations of market analysts, which could cause the price of our Equity Shares to decline significantly.

Any further issuance of Equity Shares by us or significant sales of Equity Shares by Promoter Group may dilute your shareholding and affect the trading price of the Equity Shares.

Any future equity offerings by us, including issuances of stock options under our employee stock option plan, may lead to the dilution of investor shareholding in our company or affect the market price of the Equity Shares and could impact our ability to raise capital through an offering of our securities. Additionally, sales of a large number of our Equity Shares by Promoter Group, could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such issuances might occur could also affect the market price of our Equity Shares.

**PART C: Salient features of RUBFILA INTERNATIONAL LTD
Employees Stock Option Scheme 2017**

A copy of the salient features of ESOS 2017, pursuant to which the Options are granted to you has been given to you along with your grant letter.

For Rubfila International Ltd.


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