



**RUBFILA**  
International Limited

CIN : L25199KL1993PLC007018

NIDA Menonpara Road, Kanjikode P.O.  
Palakkad - 678 621, Kerala, India.  
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Email : rubfila@vsnl.com, rubfila@gmail.com  
Website : www.rubfila.com

TWENTY SEVENTH  
ANNUAL REPORT  
2019 - 20

## 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

**R CHITRA**  
Director

**S.H Merchant**  
Director

**G KRISHNA KUMAR**  
Managing Director

Company Secretary &  
Chief Finance Officer  
**N N PARAMESWARAN**

Statutory Auditors  
**M/s. CYRIAC & ASSOCIATES**  
Chartered Accountants  
TC 3/2418 Marappalam Jn., Pattom,  
Trivandrum - 695041.

Secretarial Auditors  
**M/s. SVJS & ASSOCIATES**  
Company Secretaries, Cochin.

Cost Auditors  
**M/s. AJITH SIVADAS & Co.**  
Cost Accountants, Palakkad

Tax Auditors  
**M/s. MUKESH M. SHAH & Co.**  
Chartered Accountants, Ahmedabad

Internal Auditors  
**M/S.PRATAPKARAN PAUL & CO.**  
Chartered Accountants, Chennai



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# NOTICE OF 27<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of Rubfila International Limited (CIN: L25199KL1993PLC007018) will be held on Thursday, the 10th Day of September, 2020 at 11.00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:-

#### ORDINARY BUSINESS

01. To receive, consider and adopt.
  - a) the audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Report of the Board of Directors and Independent Auditors Report thereon and;
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2020, together with the Report of the Auditors thereon.
02. To declare a final dividend of Rs. 1.20/- per equity share of Rs. 5/- each for the Financial Year ended 31st March, 2020.
03. To appoint a Director in place of Mr. Bharat J Patel (holding DIN 01100361), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.
04. To appoint a Director in place of Mr. Thomas Carlton -III (Tommy Thompson) (DIN 01509260) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.

#### SPECIAL BUSINESS

05. Issue of Equity Shares On Preferential Basis to Promoters:

To consider and, if thought fit, to pass, with or without modification, the following Resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions

of the Memorandum and Articles of Association of the Company, read with the Securities and Exchange Board of India (Listing Obligation and Disclosures Requirement) Regulations, 2015 ("the Listing Regulations"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be modified or re-enacted from time to time (hereinafter referred to as the "ICDR Regulations"), Foreign Exchange Management Act, 1999, the Foreign Exchange (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 and other applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI") and other competent authorities and subject to execution of definitive agreements and the conditions therein specified if any and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, RBI, the Government of India, etc.), and all such other approvals (including approvals of the existing lenders of the Company, if required), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 2550000 (Twenty Five Lacs Fifty Thousand only) Equity Shares of the Company of face value of Rs.5/- at such price being not less than the price determined in accordance with SEBI (ICDR) Regulations ("Issue Price"), ranking paripassu in all respects, including as to dividend, with the existing Equity Shares of the Company, to certain person (hereinafter referred to as the "Proposed Allottees / Share holders") more particularly mentioned in the table below, in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit:

PROPOSED ALLOTTEE	ADDRESS	PAN	CATEGORY	NO. OF EQUITY SHARES TO BE ISSUED
Mr. Hardik Bharat Patel	2, Divya Darshan J.V.P.D. Scheme, N.S.Road No.5, VileParle (W) Mumbai - 400 056.	AHIPP1407H	Promoter	1275000
Mr. Ruchit Bharat Patel	2, Divya Darshan J.V.P.D. Scheme, N.S.Road No.5, VileParle (W) Mumbai - 400 056.	ANDPP9202F	Promoter	1275000

**RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid Equity Shares to the Proposed Allottees shall be subject to applicable guidelines, notifications, rules and regulations and on the terms and conditions given herein below:

1. The "Relevant Date" pursuant to Regulation 161 of the SEBI (ICDR) Regulations in relation to the above mentioned Preferential Issue of Warrants, shall be Tuesday, 11th August, 2020 which is a date 30 days prior to the date of passing of special resolution to approve the proposed preferential issue in terms of Section 62(1)(c) of the Act.
2. The issue price of the said equity shares will be Rs. 33.50/- (Rupees Thirty three and paise fifty only) per equity shares.
3. The Equity shares allotted shall be subject to lock-in for such period as prescribed under the SEBI (ICDR) Regulations.
4. The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Committee of Directors or employee or officer of the Company, as it may consider appropriate, to give effect to the aforesaid resolution

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such equity shares and that equity shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects, including entitlement for dividend, with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to decide and approve other terms and conditions of the issue of the equity shares and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem fit, subject however to the compliance with the applicable guidelines, notifications, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to accept the terms, conditions, modifications and stipulations as the GOI, RBI, SEBI or Stock Exchanges or any other regulatory authority may stipulate while granting approval to the Company for issue of the equity shares as aforesaid.

**RESOLVED FURTHER THAT** the Board is hereby authorised to take necessary steps for listing of the equity shares allotted where the Company's shares are listed, as per the terms and conditions of the Listing Agreement, and in accordance with such other guidelines,

rules and regulations as may be applicable with regard to such listing.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board, any of the Directors of the Company and Company Secretary, be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, expedient, usual, proper, incidental or desirable and to settle any question, difficulties or doubts that may arise in this regard and in regard to the issue, allotment of the equity shares and utilisation of the issue proceeds, to prescribe the forms of applications, enter and execute all such deeds, documents, agreements or other instruments, and to take such actions/directions as they may consider as being necessary or desirable and to obtain any approval, permissions, sanctions which may be necessary or desirable as they may deem fit."

**06. Appointment of Mr.D.G.Rajan (DIN 00303060) as an Independent Director of the Company :**

To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution:**

"**RESOLVED** that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16 (1) (b) and Regulation 17(1A) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. D G Rajan (DIN: 00303060), who has attained the age of 79 years, in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director of the Company and a declaration that he meets the criteria for independence as provided in the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) years on the Board of the Company w.e.f. .10th September, 2020.

**RESOLVED FURTHER** that to give effect to this appointment, Mr. G.Krishna Kumar, Managing Director and Mr.N.N.Parameswaran, CFO & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to above resolution including filing of necessary forms with Registrar of Companies and to issue Letter of Appointment for and on behalf of the

Company."

**07. Re-appointment of Mr. G. Krishna Kumar (holding DIN 01450683) as Managing Director of the Company**

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

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereof, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Articles of Association of the Company, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Mr. G. Krishna Kumar (holding DIN 01450683) as Managing Director of the Company for the period of one year with effect from 1st November, 2019 to 31st October 2020 on the terms and conditions including the payment of remuneration for the aforesaid period, as set out in the Explanatory Statement annexed to this Notice convening this meeting and as contained in the Order of Appointment, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, which Order of Appointment is also hereby specifically approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or Order of Appointment in such manner as may be agreed to between the Board of Directors and Mr. G. Krishna Kumar."

**RESOLVED FURTHER THAT** the aggregate of the remuneration and perquisites payable to Mr. G. Krishna Kumar (holding DIN 01450683) in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.

**RESOLVED FURTHER THAT** when in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. G. Krishna Kumar (holding DIN 01450683) in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all

such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

**08. To ratify the remuneration payable to Cost Auditors for the year 2020-21.**

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

**RESOLVED THAT** pursuant to the provision of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), M/s. Ajith Sivasdas & Co, Cost Accountants, Palakkad (FRN: 102805) were appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021, be paid remuneration of Rs.50,000/- plus applicable taxes and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized severally to do all acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**09. Re-appointment of Mr. Samir K Shah (DIN: 01714717) as an Independent Director of the Company.**

To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution:**

"**RESOLVED** that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16 (1) (b) and Regulation 17(1A) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, as amended from time to time, Mr. Samir K Shah (DIN: 01714717) who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a member propos-

ing his candidature for the office of Director in terms of Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company w.e.f. 13th February, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, and to execute all such documents, instruments and writings as may be required, proper or expedient, to give effect to this resolution and the Board may, by a resolution, delegate the aforementioned powers to any committee of directors, director(s) or any other officer(s) of the Company on such conditions as the Board may prescribe.”

**10. Re-appointment of Mr. Patrick M Davenport (DIN: 00962475) as an Independent Director of the Company.**

“**RESOLVED** that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16 (1) (b) and Regulation 17(1A) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Patrick M Davenport (DIN: 00962475), who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director in terms of Section 160 of the Act be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company w.e.f. 13th February, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, and to execute all such documents, instruments and writings as may be required, proper or expedient, to give effect to this resolution and the Board may, by a resolution, delegate the aforementioned powers to any committee of directors, director(s) or any other officer(s) of the Company on such conditions as the Board may prescribe.”

**11. Re-appointment of Mrs. R.Chitra (DIN: 01560585) as an Independent Director of the Company.**

“**RESOLVED** that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16 (1) (b) and Regulation 17(1A) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mrs.R Chitra (DIN: 01560585), who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director in terms of Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company w.e.f. 13th February, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, and to execute all such documents, instruments and writings as may be required, proper or expedient, to give effect to this resolution and the Board may, by a resolution, delegate the aforementioned powers to any committee of directors, director(s) or any other officer(s) of the Company on such conditions as the Board may prescribe.”

By Order of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Palakkad  
03-08-2020

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

**Notes:-**

1. In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) and SEBI Circular dated May 12, 2020, permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), SEBI Circular, and MCA Circulars, the AGM of the Company is being held through VC/ OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is also entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [scrutiniservoting@gmail.com](mailto:scrutiniservoting@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by using the remote e-voting login credentials and selecting the EVEN for Company's AGM as further detailed in the Notice-Instructions for members for

remote e-voting. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. The relevant details, pursuant to Regulations 26(4), 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
8. The certificate from the Statutory Auditors of the Company certifying that the Company's Employees Stock Option Schemes are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed by the Members of the Company, will be available for inspection by the members in terms of the said regulations
9. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 03-09-2020 through email to rubfila@gmail.com and the same will be replied by the Company, suitably.
11. The Share Transfer Books and the Register of Members shall remain closed from 04-09-2020 to 10-09-2020 both days inclusive.
12. The Board of Directors have recommended a dividend @ 24% (Rs.1.20/- per Equity Share of Re.5/-

Fully paid-up) of the paid up capital for the year. If declared at the Annual General Meeting, the same will be paid to the share holders who holds shares:

- a) In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as on 03-09-2020.
  - b) In physical mode, if their names appear in the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Company and its Registrar and Transfer Agents on or before 03-09-2020.
- 13.
- (a) Unpaid/unclaimed dividends for the financial year 2012-2013 will be transferred to Investor Education and Protection Fund (IEPF). It may be noted that no claim shall lie against the Company u/s 124(6) of the Companies Act, 2013 for unpaid/unclaimed dividends once such dividends have been transferred to such Fund.
  - (b) Members are advised to prefer their claims for unpaid/unclaimed dividends, if any, for the years from 2012-2013 onwards, directly to the Company/RTA. Members may please note that the balance of unclaimed dividend for financial year 2012-13 will become due for transfer to IEPF on October 21, 2020 and on failure, the Company is under an obligation to transfer of the equity shares to IEPF.
  - (c) Members may note that in terms of the provisions of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2013 (IEPF Rules) the equity shares of the Company in respect of which dividend entitlement has remained unclaimed or unpaid for a consecutive period of 7 (seven) years or more are required to be transferred by the Company to IEPF. As per the records of the Company, unclaimed/ unpaid dividends for the financial year 2012-13 is being transferred to IEPF. The Company has sent a specific communication to the latest available addresses of the shareholders whose dividends are lying unclaimed for the last 7 (seven) consecutive years or more, inter alia, providing the details of shares being transferred to IEPF. In order to prevent the shares being transferred to IEPF, you are requested to do any of the following before 21st October 2020:

1. Encash the unclaimed dividend(s) listed above. In order to claim the unclaimed dividends please send us a written application along with a copy of PAN Card and the original un-encashed dividend warrant or duly filled in indemnity bonds to the Company's Registered Office i.e. NIDA, Kanjikkode, Palakkad, Kerala - 678 621
  2. Furnish specific order of Court or Tribunal or Statutory Authority restraining any transfer of such shares or payment of dividend in respect of such shares.
14. Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be.
15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.rubfila.com under the head 'Investor Relations'. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company/RTA in case the shares are held in physical form
16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or the Company's Registrars and Share Transfer Agents, M/s Integrated Registry Management Services Private Limited for assistance in this regard.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents.
18. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
19. In view of the circular issued by SEBI, the Electronic clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide bank account details to the Company and its Registrar and Share Transfer Agents. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Any changes in such bank mandate must be advised only to the Depository Participant of the Members.
20. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.rubfila.com / investors, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of CDSL at www.cdslindia.com
21. In terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 as amended, the Company is providing the facility to its Members holding shares in physical or dematerialized form as on the cut-off date, 03-09-2020, to exercise their rights to vote by electronic means (the 'Remote e-voting') on any or all of the business specified in the accompanying notice. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system will be provided by NSDL. Details of the process and manner of Remote e-voting are being sent to all the Members along with the Notice. If any person who is not a member/ceased to be a member as on the cut-off date should treat this notice for information purpose only.
22. The Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
23. The Results on above resolutions shall be declared

not later than 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

24. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice

25. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 27th AGM and the Annual Report for the year ended 31st March, 2020 including therein the Audited Financial Statements for the Financial Year 2019- 20, which are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 27th AGM and the Annual Report for the Financial Year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company email id rubfila@gmail.com.
- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

26. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

Members whose email addresses are not registered with the depositories can register the same for obtaining login credentials for e-voting for the resolutions proposed in this Notice in the following manner:

- a) For Physical Shareholders- Please provide necessary details like Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company email ID: rubfila@gmail.com.

- b) For Demat Shareholders- Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to the Company email ID: rubfila@gmail.com. It is clarified that for permanent registration of email address, the Members are however requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants.

- c) The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

27. Instructions for attending the AGM through VC/OAVM and E-Voting during the AGM are as under:

- a. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/Members login where the EVSN of Company will be displayed.
- b. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- c. Further, Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 (five) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company mail ID rubfila@gmail.com. The Members who do not wish to speak during the AGM but have queries may send their queries in advance at least 5 (Five) days prior to the meeting mentioning their

name, demat account number/folio number, email id, mobile number at Company mail ID rubfila@gmail.com.. These queries will be replied to by the company suitably by email.

- f. Those Members who have registered themselves as speakers will only be allowed to express their views/ask questions during the meeting.
- g. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned separately for Remote e-voting.
- h. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- i. If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
- j. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

28. Instructions for remote e-voting are as under:

- (i) The voting period begins on 07-09-2020 at 9.00 a.m. and ends on 09-09-2020 at 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 03-09-2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders/Members" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8

Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

[OR]

Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and click on Login.

- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

For Shareholders/Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
	In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your de-mat account or in the company records for the said de-mat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your de-mat account or in the company records for the said de-mat account or folio.
	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in de-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the de-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on these resolutions contained in this Notice.
- (xii) Click on the EVSN to choose <RUBFILA INTERNATIONAL LIMITED> to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on The Voting page.
- (xviii) If demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xix) Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who is authorized to vote, to the Scrutinizer and to the Company at the email address viz; [rubfila@gmail.com](mailto:rubfila@gmail.com), if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.
  - If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

29. M/s. SVJS & Associates, Company Secretaries, Kochi, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
30. During the 27th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 27th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 27th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 27th AGM.
31. The Scrutinizer shall after the conclusion of e-Voting at the 27th AGM, first download the votes cast

at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 27th AGM, who shall then countersign and declare the result of the voting forthwith.

32. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.rubfila.com](http://www.rubfila.com) / investors and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
33. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for Inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Sundays, upto and including the date of the Annual General Meeting of the Company. Members may also note that the Notice and Annual Report of the Company for the Financial Year 2019-20 are available on Company's website at [www.rubfila.com](http://www.rubfila.com).



## STATEMENT AS PER SECTION 102 OF COMPANIES ACT 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### Item No. 5

The Company proposes to make a preferential allotment of equity shares to persons mentioned in item no. 5 on a private placement basis, which has been approved by the Board of Directors of the Company at its meeting held on 03-08-2020.

As per Section 42 & 62 (1) (c) of the Act, read with Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (collectively, the "CA 2013") as well as the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018 ("ICDR Regulations"), as amended, a company offering or making an invitation to subscribe to securities, on a preferential basis, is required to obtain prior approval of the shareholders by way of Special Resolution, for each of the offers and invitations.

The allotment of the Equity Shares is subject to the proposed allottees not having sold any Equity Shares of the Company during the 6 (six) months preceding the 'relevant date'. The proposed allottees of the Company has represented that they have not sold any equity shares of the Company during the 6 (six) months preceding the relevant date.

The approval of members is accordingly being sought by way of a Special Resolution under Section 42, and 62 of the Act read with the Rules made there under, for the issue of 2550000 Equity Shares at Rs. 33.50/- (Rupees Thirty three and paise fifty only) per equity shares.

Given below is a statement of disclosures as required under Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid ICDR Regula-

tions, the relevant disclosures / details are given below:

#### 1. Objective of the preferential issue

The Company's business is growing and the funds are required by the Company for meeting its working capital requirements and other corporate needs to further the business interests as allowed under applicable laws.

#### 2. Total No. of Equity Shares to be issued: 2550000

#### 3. Terms of Issue of the Equity Shares, if any.

The Equity Shares allotted in terms of this resolution shall rank pari passu with existing equity shares of the Company in all respects.

The proposed issue and allotment of the Shares will inter-alia be governed by the Companies Act, 2013 read with the rules framed there under (including any statutory modification or re-enactment thereof for the time being in force), the articles of association of the Company, the listing agreement entered into between the Company and BSE Limited where the equity shares of the Company are listed, the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 ("SEBI ICDR Regulations") as amended from time to time.

#### 4. Relevant Date

The relevant date as per the ICDR Regulations for the determination of the price per equity share pursuant to the preferential allotment is 11-08-2020 ("Relevant Date") (i.e. 30 days prior to the date of AGM which is 10-09-2020, to approve the proposed preferential issue).

#### 5. Change in control

There shall be no change in management or control of the Company pursuant to the issue of equity shares/warrants

#### 6. Pricing of Preferential Issue

The price of Equity Shares to be issued is fixed at Rs. 33.50/- (Rupees Thirty three and paise fifty only) per shares in accordance with the price determined in terms of Regulation 164B of the ICDR Regulations.

#### 7. Basis on which the price has been arrived at

The Company is listed on BSE Limited and the equity shares of the Company are frequently traded in accordance with Regulation 164 (1) and 164B of the ICDR Regulations.

#### 8. Intention of promoters / directors / key manageri-

#### al personnel to subscribe to the offer

Promoters as mentioned in point no.9 below, have indicated their intention to subscribe to the offer. No Equity Shares are being offered to the Key Managerial Personnel of the Company

9. The name of the proposed allottees, the identities of the persons who are the ultimate beneficial owners of the shares and/ or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control

Name of Allottee	Category	Pre issue holding %	Number of shares to be allotted	Holding % post issue of equity shares	Beneficial Ownership
HARDIK BHARAT PATEL	Promoter	4.60	1275000	6.83	HARDIK BHARAT PATEL
RUCHIT BHARAT PATEL	Promoter	5.05	1275000	7.25	RUCHIT BHARAT PATEL

#### 10. The pre issue and post issue shareholding pattern of the Company:

Sl No	Category	Pre Issue		Post Issue	
		Nos.	%	Nos.	%
<b>01</b>	<b>Promoters</b>				
i)	Indian Promoters / PAC	26224396	53.01	28774396	55.32
ii)	Foreign Promoters	3059556	6.18	3059556	5.88
	<b>Sub-Total</b>	<b>29283952</b>	<b>59.20</b>	<b>31833952</b>	<b>61.20</b>
<b>02</b>	<b>Public Shareholdings</b>				
i)	Mutual Funds	63680	0.13	63680	0.12
ii)	Financial Institutions / Banks	560	0.00	560	0.00
iii)	Individuals	20119337	40.67	20119337	38.68
	<b>Sub-Total</b>	<b>20183577</b>	<b>40.80</b>	<b>20183577</b>	<b>38.80</b>
	<b>Grand Total</b>	<b>49467529</b>	<b>100.00</b>	<b>52017529</b>	<b>100.00</b>

The promoter group have undertaken that in case there is an increase in voting rights of the promoter group along with Person Acting in Concert beyond 75%, necessary steps will be taken to reduce the shareholding of the promoter group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, so that the Company is in due compliance of the Minimum Public Shareholding requirement.

#### 11. Proposed time within which the allotment shall be completed

As required under the ICDR Regulations, the Company shall complete the allotment of equity shares on preferential basis on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue Provided that where any approval or permission by any regulatory or statutory authority for allotment is pending, the allotment of the equity shares shall be completed within 15 days from the date of receipt of such approval or permission.

#### 12. No. of persons to whom allotment of preferential

basis has already been made during the year, in terms of number of securities as well as price

During the year, no preferential allotment has been made to any person.

**13. Payment terms**

- a) Full consideration shall be paid by the allottees before the time of allotment of such shares

**14. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

Not Applicable

**15. Lock in period**

The Equity Shares allotted on a preferential basis shall be subject to lock-in as per Regulation 167 of the SEBI (ICDR) Regulations

**16. Auditor's certificate**

A certificate from M/s. Cyriac & Associates, (FRN: 014033S) Statutory Auditor of the Company, certifying that the issue of equity shares is being made in accordance with requirements of ICDR Regulations shall be placed before the General Meeting of the shareholders.

**17. Undertakings**

In terms of SEBI (ICDR) Regulations, 2018, the Company hereby undertakes that:

- a) It shall re-compute the price of the Equity Shares issued in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.

**18. The allotment of the said equity shares to the Promoters pursuant to preferential issue does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2020 ("SEBI SAST Regulations"). Due to above preferential allotment and the resultant allotment no change in the management control is contemplated.**

Relevant documents are open for inspection by the members at the Regd. Office of the Company on all

working days, during 11:00 a.m. to 1:00 p.m. up to the date of the Meeting. Additionally, copies of the relevant documents are available for inspection at the Regd. Office of the Company and will also be made available at the Meeting.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors, therefore, recommends the resolutions for your approval.

The Directors, the Managers, Key Managerial Personnel of the Company and their respective relatives do not have any interest, financial or otherwise, in the proposed resolution for issue of Equity Shares, except to the extent of their shareholdings and to the extent of Equity Shares that may be issued to them / persons acting in concert with them or to the companies / firms in which they are interested.

**Item No. 6**

Mr. D.G. Rajan (DIN: 00303060) who was appointed as an Additional Director (Non-Executive & Independent) on the Board of the Company with effect from 26.06.2020 pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 (the 'Act'), holds office up to the date of this Annual General Meeting (AGM) of the Company or the last date on which the AGM should have been held, whichever is earlier and is eligible for appointment. In terms of Section 160 of the Act, the Company has received a notice in writing from a Member signifying his intention to propose the candidature of Mr. D.G. Rajan for the office of Director. The Company has received from Mr. D.G. Rajan (i) consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Director) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules 2014, to the effect that he is not disqualified under Subsection(2) of Section 164 of the Companies Act 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act 2013 and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that he fulfills the criteria of independence. The resolution seeks the approval of members for the appointment of Mr. D.G. Rajan as an Independent Director of the company up to 10-09-2025, pursuant to Section 149 and other applicable provisions of the Companies Act 2013 and the Rules made there under.

In terms of Regulation 17(1A) of the Securities and Ex-

change Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 consent of the Members by way of Special Resolution is required for appointment of a Non-Executive Director who is aged above seventy five years. The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail his services. Mr. D.G.Rajan is aged 79 years and hence his appointment as Non- Executive Independent Director of the Company requires approval of the Members by way of Special Resolution. Brief profile of Mr. D.G.Rajan is enclosed and detailed profile is available at the website at [www.rubfila.com](http://www.rubfila.com) / investors.

Further, details of Mr. D.G.Rajan have been given in the Annexure to this Notice.

A copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of appointment of Independent Director is available for inspection at the Registered Office of the Company during any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM. The same is also available on the website of the Company at [www.rubfila.com](http://www.rubfila.com)

Except for Mr. D.G.Rajan and his relatives, to the extent of their shareholding, if any, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution as set out in item no. 6 of the Notice.

**Item No.7**

The Board of directors in its meeting held on 03-08-2020 and on recommendation of the Nomination and Remuneration Committee has decided to re-appoint Mr. G. Krishna Kumar (holding DIN 01450683) as the Managing Director for a further period of one year with effect from 1st November, 2019 to 31st October 2020 on the existing terms and conditions. This is subject to the approval of the shareholders at this Annual General Meeting. A brief profile of Mr. G. Krishna Kumar is detailed in the Annual Report 2019-20 and is available on the website of the Company at [www.rubfila.com](http://www.rubfila.com) / investors.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. G. Krishna Kumar (holding DIN 01450683) and the terms and conditions of the re-appointment are given below:

- I. Salary: Rs. 441321/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
- II. Dearness Allowances : Rs. 10,750/-

**III. House Rent Allowance : Rs. 10,000/-**

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

Other terms and conditions:

- a) In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.
- b) Leave with full pay and allowances shall be allowed as per the Company's rules.
- c) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.
- d) No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committees thereof.
- e) Mr. G. Krishna Kumar (holding DIN 01450683) shall not be liable to retire by rotation.
- f) The perquisites if any shall be valued as per the Income Tax Rules, 1962, as may be applicable

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. G. Krishna Kumar.

The Board of Directors recommends the resolution in relation to the re-appointment of Managing Director for a further period of one year with effect from 1st November, 2019 to 31st October 2020, for the approval of the shareholders of the Company.

Mr. G. Krishna Kumar is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors or Key Managerial Personnel or their relatives other than Mr. G. Krishna Kumar is in any way concerned or interested, financially or otherwise, in the resolution set out in the item no. 7 of the accompanying Notice.

**Item No.8**

In accordance with the provisions of Section 148 of the Act, read with The Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

The Board on recommendation of the Audit Commit-

tee had appointed M/s. Ajith Sivasdas & Company, Cost Accountants as the Cost Auditors of the Company for the financial year 2018-19 for a remuneration of Rs. 50,000/- as audit fee payable to the Cost Auditors plus applicable taxes and reimbursement of out of pocket expenses.

Accordingly, consent of the Members is being sought for passing the Ordinary resolution as set out in item no. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2020 - 21

The resolution as set out in item no. 8 of this Notice is accordingly commended for your approval.

None of the Directors or Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out in the item no. 8 of the accompanying Notice.

**Item No.9 to 11**

Mr. Samir K Shah (DIN: 01714717), Mr. Patrick M Davenport (DIN: 00962475) and Mrs. R Chitra (DIN: 01560585), were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 read with Schedule IV of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra hold office as Independent Directors of the Company up to 12th February, 2020 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra as Independent Director for a Second term of 5 (Five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Director and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background, experience and contributions made by them during their tenure, the continued association of Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years on the Board of the Company from 13-02-2020 to

13-02-2025 Brief profile of the directors are enclosed and detailed profile is available at the website at [www.rubfila.com/investors](http://www.rubfila.com/investors).

Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra are not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given their consent to act as Director.

The Company has received notice in writing under Section 160(1) of the Act from a member proposing the candidature of Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra, for the office of Independent Director of the Company.

The Company has also received declaration from Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Further, detail of Directors whose re-appointment as Independent Director is proposed in Item No. 9 to 11 has been given in the Annexure to this Notice.

Copy of draft letter of appointment of Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra setting out the terms and conditions of appointment are available for inspection by the Members at the registered office of the Company and at the website of the Company at [www.rubfila.com/investors](http://www.rubfila.com/investors).

The Board recommends the Special Resolutions as set out in the Item No. 9 to 11 of the accompanying Notice for the approval by the Members of the Company.

Mr. Samir K Shah, Mr. Patrick M Davenport and Mrs. R Chitra are interested in the resolution set out respectively at Item No. 9 to 11 of the Notice with regard to their re-appointment. The relatives of them may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

By Order of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Palakkad  
03-08-2020

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

Particulars of Directors who are proposed to be appointed/ re-appointed at the meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) are given below :

Name of the Director	Mr. Bharat J Patel	Mr. Thomas Carlton Thompson II	Mr. D G Rajan	Mr. G Krishna Kumar	Mr. Samir K Shah	Patrick M Davenport	R Chitra
DIN No.	01100361	01509260	00303060	01450683	01714717	00962475	01560585
Age & Date of Birth	67 / 10-03-1953	68 / 03-06-1952	79 / 10-01-1941	56 / 29-05-1964	47 / 18-07-1973	54 / 17.03.1966	53 / 06.03.1967
Type of appointment	Director retiring by rotation	Director retiring by rotation	Independent Director	Managing Director	Independent Director	Independent Director	Women Director (Independent)
Date of first Appointment	08-09-05	08-09-05	26-06-20	27-10-07	13-02-15	13-02-15	13-02-15
Experience and Areas of Specialization	Finance	Finance Advisor	Finance	Project, Technology & Management	Finance	Management	Management Social Work
Qualifications	FCA	BA, MSC	FCA	B.Tech, MBA	B.Com	BA	MA
Terms & Conditions of Appointment	Non-executive	Non-executive	Non-executive	Executive	Non-executive	Non-executive	Non-executive
Remuneration last drawn	Nil	Nil	N.A.	Nil	Nil	Nil	Nil
No. of Shares Held in the Company	6694406	Nil	Nil	58571	Nil	Nil	Nil
No. of Board Meetings attended during Financial Year 2019-20	7	2	Nil	6	1	2	4
List of Directorship held in outside Public Limited Companies	1	Nil	6	Nil	Nil	Nil	Nil
Chairman/ member of the Committee of the Board of Directors of other Companies	Nil	Nil	4	Nil	Nil	Nil	Nil
Relation with Key Managerial Personnel and Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Justification for appointment	Expertise in Finance & Management	Expertise in Finance & Management	Expertise in Finance, Management & Independent	Expertise in Project, Technology & Management	Finance Knowledge & Independent	Expertise in Management & Independent	Statutory Requirement as per Companies Act, 2013

\*Chairmanship and membership of the Audit Committee and the Stakeholders' Relationship Committee are only considered.

#### FOR THE ATTENTION OF THE MEMBERS

- Members are requested to send intimations of any changes in their addresses, applications for demat of shares, applications for transfer of shares and any related correspondence to the Company's share transfer agents M/s Integrated Registry Management Services Private Limited, 2nd Floor, "Kenc-es Towers", No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600017. Ph: 044-28140801 - 3. Email :corpser@integratedindia.in
- Sending notices and documents to shareholders through email:**  
As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening general meetings, Annual Reports, etc to the email addresses of the shareholders. For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share Transfer Agents of the Company M/s. Integrated Registry Management Services Private Limited at their postal / email address given above. Please give the details in the attached format for registering your email ID. Those holding shares in demat form are requested to register their email IDs with their Depository Participants.
- Making payment of dividend through NECS / NEFT:**  
In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details / documents to M/s Integrated Registry Management Services Private Limited. Those holding shares in demat form are requested to update their records with DPs in this respect.
- Payment of unpaid dividends of previous years.**

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

Year	% of share Paid up value
2012-13	12
2013-14	12
2014-15	15
2015-16	10
2016-17	15
2017-18	20
2018-19	20

Members wishing to claim unclaimed dividends are requested to correspond with the Company Secretary of the Company, at the registered office. Members are requested to note that dividends which are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Companies Act, 2013 and Rules made there under, be transferred to the Investor Education and Protection Fund. Further, pursuant to the provisions of section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividend remain unpaid / unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. The Company has uploaded the details of unpaid and unclaimed amounts on the website of the Company (www.rubfila.com). Shareholders who have not encashed their dividend warrants for any of the years 2012-13 to 2018-19 are requested to get the warrants revalidated by the Bank, since the outstanding dividend will be transferred to Investor Education and Protection Fund.

Necessary formats for item 2, 3 & 4 above are available on the website of the Company www.rubfila.com / investors.

By Order of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Palakkad  
03-08-2020

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

27<sup>th</sup>  
ANNUAL  
REPORT  
2019-20

# DIRECTOR'S REPORT

## TO THE MEMBERS OF RUBFILA INTERNATIONAL LIMITED

The Directors have pleasure to present their 27th Annual Report and the audited Annual Accounts for the year ended 31st March 2020. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

### Financial Results

The Summarized standalone and consolidated results of your company and its subsidiary are given in the table below :-

(₹ in lakhs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Revenue From Operation	22,770.61	21,374.21	25,800.78	21,374.21
Other Income	222.55	425.13	473.64	425.13
<b>Total Income</b>	<b>22,993.16</b>	<b>21,799.34</b>	<b>26,274.42</b>	<b>21,799.34</b>
Operating Expenditure	20,643.88	18,958.34	23,408.68	18,958.35
<b>Operating Profit Before Depreciation, Interest and Tax</b>	<b>2,349.28</b>	<b>2,841.00</b>	<b>2,865.74</b>	<b>2,840.99</b>
Finance Cost	9.83	8.51	22.18	8.51
Depreciation and Amortization Expenses	341.89	313.47	625.02	313.47
<b>Profit Before Exceptional Items</b>	<b>1,997.56</b>	<b>2,519.02</b>	<b>2,218.54</b>	<b>2,519.01</b>
Exceptional Items	-	193.44	-	193.44
<b>Profit Before Tax</b>	<b>1,997.56</b>	<b>2,325.58</b>	<b>2,218.54</b>	<b>2,325.57</b>
<b>Tax Expenses</b>				
a) Current Tax	450.91	626.31	478.79	626.31
b) Deferred Tax	42.92	-1.90	81.91	-1.90
<b>Profit after Tax</b>	<b>1,503.73</b>	<b>1,701.17</b>	<b>1,657.84</b>	<b>1,701.16</b>
Other Comprehensive Income	9.28	-47.97	-4.03	-48.67
Share of Net profit of Associates using Equity Method	-	-	29.55	68.94
Non Controlling Interest	-	-	-118.06	-
<b>Total Comprehensive Income</b>	<b>1,513.01</b>	<b>1,653.20</b>	<b>1,565.30</b>	<b>1,721.43</b>
<b>Basic EPS</b>	<b>3.19</b>	<b>3.58</b>	<b>3.30</b>	<b>3.73</b>
<b>Diluted EPS</b>	<b>3.14</b>	<b>3.56</b>	<b>3.25</b>	<b>3.70</b>

Note : M/s.Premier Tissues India Ltd became the Subsidiary of the Company effective from 13-09-2019.

### Performance Review :

#### Rubfila International Ltd

The Standalone Net Revenue from Operations for the Financial Year ended March 31, 2020 was Rs.22,770.61 Lacs, which grew by 6.53% compared to Rs. 21,374.21 Lacs for the previous Financial Year. The Profit After Tax for the year was down by 13.13% to Rs. 1503.73 Lacs from Rs.1701.17 Lacs in the previous year. Economic growth during the year under review was subdued due to high fluctuation in the raw material cost on one side and stiff competition in the market due to cheap import

of finished goods into India etc. Revenue growth for the year was impacted due to macroeconomic slowdown and disruption caused by COVID-19 pandemic outbreak towards the end of the Financial Year which resulted in the loss of sales for eight days.

#### Premier Tissues India Ltd (Wholly-owned Subsidiary) :

The Standalone Net Revenue from operations of M/s. Premier Tissues India Ltd, the Wholly-owned Subsidiary, for the year ended 31st March, 2020 was Rs. 5353.74 Lacs as compared to Rs. 5559.55 Lacs posted for the previous year.

The profit after tax for the year ended 31st March, 2020 was Rs. 213.55 Lacs against Rs. (102.29) posted for the previous year.

The consolidated net revenue from operations for the Financial Year under review was Rs. 25800.78 Lacs and the Consolidated Profit Before Tax for the year stood at Rs. 2218.54 Lacs. On consolidated basis, the Company earned a Profit After Tax of Rs.1565.30 Lacs for the Financial Year 2019-20.

#### Dividend and Transfer to Reserves

Your Directors have recommended a dividend of 24% (Rs.1.20 per Share of face value Rs.5/-) for the year subject to the approval of shareholders at the ensuing Annual General Meeting. This will result in total payout for the year 2019-20 of Rs 593.60 Lacs. (Rs.472.17 Lacs in 2018-19). An amount of Rs.75.64. Lacs, has been transferred to General Reserve as per the provisions of Companies Act, 2013.

Pursuant to the provisions of Section 124(5) of the Act, the dividend which remained unclaimed/unpaid for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Your Company has uploaded the details of unclaimed/unpaid dividend for the financial year 2012-13 onwards on its website viz., www.rubfila.com and on website of the Ministry of Corporate Affairs viz., www.iepf.gov.in and the same gets revised/updated from time to time pursuant to the provisions of IEPF (Uploading of Information Regarding Unpaid and Unclaimed Amount Lying with Companies) Rules, 2012.

Further, the unpaid dividend amount pertaining to the financial year 2012-13 will be transferred to IEPF during the Financial Year 2020-21.

#### Transfer of Equity Shares

Pursuant to the provisions of Section 124(6) of the Act and the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs on September 7, 2016 and subsequently amended vide notification dated February 28, 2017, all the equity shares of the Company in respect of which dividend amounts have not been paid or claimed by the shareholders for seven consecutive years or more are required to be transferred to demat account of IEPF Authority. Upon transfer of such shares, all benefits (like dividend, bonus, split, consolidation etc.), if any, accruing on such shares shall also be credited to the Account of IEPF and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the demat account of IEPF Authority can be claimed back by the shareholder

by following the procedure prescribed under the aforesaid rules.

Your Company has sent individual notice to all the members who have not been paid or who have not claimed dividend for seven consecutive years and has also published the notice in the leading English and Malayalam newspapers.

The details of the nodal officer appointed by the Company under the provisions of IEPF are disseminated in the website of the Company viz., www.rubfila.com.

Your Company has sent individual notice to all the members who have not been paid or who have not claimed dividend for seven consecutive years and has also published the notice in the leading English and Malayalam newspapers

#### Capital Expenditure

As on 31st March 2020, the gross fixed assets of the company stand at Rs.15287.58 Lacs and net fixed assets Rs. 9427.97 Lacs. Capital additions during the year amounted to Rs 3749.53 Lacs, which include addition to Land Rs.9.66 Lacs, Building Rs.1413.36 Lacs, Plant & Machinery and other assets amounting to Rs.2319.86 Lakhs and Capital Work in Progress of Rs.6.65 Lacs.

#### Future Prospects

Rubber thread market has been growing for the past few years, as is reflected in the sales of the company. Since the year 2013, the company has expanded the installed capacity by 250% and the current capacity stands at 17500 T p.a. Since the company is planning to leverage its position in the international market, it has decided to put up one more line in the Tamil Nadu plant. This will have a capacity of 2500 T and this is expected to be commissioned by December 2020.

The present location at Palakkad does not have room to accommodate any further expansion and hence Rubfila had acquired large land admeasuring approximately 114 acres in Dindigul district in Tamil Nadu. The acquired land is closer to the current location of Palakkad with sufficient resources for future requirements.

Rubfila has been exploring for new markets overseas and the responses have been encouraging. To meet the projected demand from the exports market, it is proposed to install a total of six lines including the current one at the Tamil Nadu unit and the company foresees itself to be a prominent player in the international market sooner than later.

In addition to expansion of rubber thread business, Rubfila also is optimistic about the business prospects of its wholly owned subsidiary Premier Tissues India Ltd. Premier has launched many new products recently like disinfectant wipes, sanitizing wipes, disinfectant spray etc and is in the process of launching a series of

consumer products in the coming months. The hygiene products segment is seeing huge growth due to the covid pandemic and many products from Premier help people stay safe. The Company is currently expanding its sales and distribution net work. Over the next few years, Premier is expected to be a major contributor to Rubfila in topline as well bottom-line.

#### Directors' Responsibility Statement

##### The Directors report that

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the period ended 31st March 2020.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### Listing on Stock Exchanges

Your Company's shares are listed on the BSE Ltd. The Company has paid Listing Fee for the year 2020-21.

#### Declaration of Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr.Samir K. Shah (DIN 01714717), Mr. Patrick M Davenport (DIN 00962475), Ms.R.Chitra (DIN 01560585) and Mr.S.H.Merchant (00075865) have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as an Independent

Director during the year

A note on the familiarizing programme adopted by the Company for the orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report which forms part of this Report.

Further, the Independent Directors of the Company met once during the year on 11-02-2020 to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole

#### Particulars of Loans, guarantees or investments

Pursuant to Section 186 of the Companies Act, 2013 your company has not directly or indirectly -

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

The details of Investments, Loans or Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note to the Financial Statements.

#### Deposits

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

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

Information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are given in Annexure forming part of this report.

#### Related Party Transactions

All contracts/ arrangements / transaction entered by the Company during the financial year were in compliance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder and according to SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. All transactions entered into with the Related Parties during the financial year under the review were on an arm's length basis and were in the ordinary course of business.

During the year Company acquired 5620427 equity shares of Rs.10/- of M/s.Premier Tissues India Ltd from Mr.Ruchit B Patel, one of the Promoters of the Company for a consideration of Rs.1600 lacs. Members in the Extra Ordinary General Meeting held on 28-02-2020 approved the transaction.

Other than the above, there are no materially significant Related Party transactions made by the Company with its Promoters, Directors, Management or their relatives that could have had a potential conflict with the interests of the Company at large.

All Related Party Transactions were placed before the Audit Committee and also before the Board for their approval. Prior approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The Company had framed a policy on materiality of related party transactions and on dealing with related party transactions. The policy as approved by the Board is uploaded on the Company's website : <http://www.rubfila.com/policies>. The Form AOC-2 containing the particulars of contracts or arrangements with related parties made during the period under review is annexed herewith as "Annexure D"

The Members may refer to Note to the Standalone Financial Statements which sets out the related party disclosures as per the Accounting Standards.

#### Corporate Social Responsibility

The Board of Directors, the Management and all of the employees believe in giving back to the society as part of corporate ethos. The team believes that society too is a major stakeholder in the ecosystem and investing in building the society is an important duty of a corporate citizen.

The main objective of CSR policy of the Company is to make CSR a key business process for sustainable development of society. The CSR Policy will guide and govern the Company's activities in focus areas namely rural development and inclusiveness and other areas of special interest, ultimately for sustainable development of society across.

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility

(CSR) Committee and framed a CSR policy which details the programs / activities that can be carried out under various program heads. CSR policy of the Company is available on the website [www.rubfila.com](http://www.rubfila.com). The Company's CSR activities are focused on Health Care and Education, Infrastructure Development, Sustainable Livelihood and Social empowerment & Welfare and Sports, Arts and Culture. During the year, Company carried out several initiatives under the CSR program, directly as well as through agencies. A report on CSR activities is attached as Annexure C forming part of this report.

The CSR activities are overseen by a committee of Directors comprising of Mr. Bharat J. Dattani (DIN 1462746) and Mr.G Krishna Kumar on a regular basis.

In the year under consideration, the company spent Rs.41.10 Lakhs towards various CSR expenditures.

A report on the Corporate Social Responsibility activities is annexed to this report.

#### Directors and Key Managerial Personnel

The Board of directors of the Company comprises of 10 directors as on the date of report. Your Board comprises Mr.Bharat J Patel, (DIN 01100361) as Non-executive Chairman, Mr.G.Krishna Kumar, (DIN 01450683) as Managing Director (Executive), Mr.Tommy Thompson (DIN 01509260, Mr. Bharat J. Dattani (DIN 00608198), Mr.Dhiren S. Shah (DIN 01149436) as Promoter Non-executive, Non-independent Directors and five Non-executive Independent Directors namely Mr.Samir K. Shah (DIN 01714717), Mr.Patrick M Davenport (DIN 00962475), Mr.D.G.Rajan (DIN 00303060), Mrs.R.Chitra (DIN 01560585) and Mr.S.H.Merchant (DIN 00075865). The Details of composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

In accordance with the Companies Act, 2013, Mr. Mr.Bharat J Patel (DIN 01100361) and Mr Thomas Carlton -III (Tommy Thompson) (DIN 01509260) retire by rotation and being eligible offer themselves for re-appointment in the ensuing Annual General Meeting.

No directors or Key Managerial Personnel were appointed during the year. Mr.S.N.Rajan (DIN 00105864) has resigned from the Board on 11-02-2020.

During the reporting period your Board met seven times. The details of the meeting and attendance of directors are provided in the Corporate Governance Report annexed herewith. There were no instances in which the Board had not accepted any recommendation of the Audit Committee.

Necessary information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of directors to be appointed and re-appointed at the ensuing Annual General Meeting are given in the Annexure to the Notice convening the Annual General Meeting scheduled to be held on 10-09-2020

None of the Directors of your Company are disqualified for being appointed as directors, as specified in Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

The Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfill the conditions specified in the Act and the Rules made thereunder and are independent of the Management.

#### Performance Evaluation

The Companies Act, 2013 and SEBI (LODR) Regulations, 2015 stipulates the performance evaluation of the Directors including Chairman, the Board and its Committees. The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of the Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers, etc, which is in compliance with applicable laws, regulations and guidelines.

The Board carried out annual performance evaluation of the Board, Board Committees and Individual Directors and Chairperson. The Chairman of the respective Board Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees.

The reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board.

#### Policy on Nomination and Remuneration and Performance evaluation of Directors, KMP and Senior Management Personnel

Policy in accordance with the provisions of Section 178 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee of the Company oversees the implementation of the Nomination and Remuneration Policy. The Nomination and Remuneration Policy prescribes for the criteria for determining the qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, Key Managerial Personnel, senior management employees including functional heads and other employees. The Nomination and Remuneration Policy of the Company is available on the website of the Company in the following weblink: <http://www.rubfila.com/img/pdf/Nomination-RemunerationPolicy.pdf>

The salient features of the Nomination and Remuneration policy are as follows:

- The policy has been framed in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The policy spells out the criteria for determining qualifications, positive attributes, independence of a Director and the remuneration of Directors, Key Managerial Personnel and Senior Management including functional heads.
- The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- No Independent Director shall hold office for more than two consecutive terms of maximum 5 years each. In the event the same person is to be appointed as an Independent Director after two consecutive terms of five years, a cooling period of 3 years is required to be fulfilled.
- The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- The remuneration/ commission shall be in accordance with the statutory provisions of the Companies Act, 2013 and the rules made thereunder for the time being in force.
- Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

- h. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the Nomination and Remuneration Committee shall amend this Policy accordingly.

#### Auditors

##### Statutory Auditors

Shareholders in their meeting held on 15-09-2017 appointed M/s. Cyriac & Associates, Chartered Accountants (Firm Registration No. 014033S.) as Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of 24th Annual General Meeting until the conclusion of 29th Annual General Meeting.

There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' Report.

During the period under review, there were no frauds reported by the auditors under provisions of the Companies Act, 2013

##### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of the Directors of the Company had appointed M/s. SVJS & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. The Secretarial Auditors have submitted their report and the Board took note of the same. The Secretarial Audit Report is annexed herewith.

##### Explanation for Secretarial Auditors observation in the Secretarial Audit Report

##### Observation

As on 31st March 2020 the Board of directors of the Company and its committees has no requisite number of Independent Directors.

##### Board's Explanation

Mr. S.N. Rajan (DIN 00105864), Independent Director has resigned from the Board effective from 11-02-2020. Board has identified Mr. D.G. Rajan (DIN 00303060) as Independent Director and a Special Resolution is moved before the ensuing Annual General Meeting.

Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company has submitted the Secretarial Compliance Report from Practicing Company Secretaries on compliance of all applicable

SEBI Regulations and circulars/guidelines issued there under with the Stock Exchange within the prescribed due date.

##### Cost Auditors

M/s. Ajith Sivasdas & Co. Cost Accountants was appointed as Cost Auditors for the year 2019-20 and a resolution for ratification of the appointment and remuneration payable was approved by the members in their meeting held on 21-09-2019. The remuneration payable for the Financial Year 2020 - 21 will be ratified in the ensuing Annual General Meeting.

##### Internal Auditors

The Board has appointed M/s. Prapatkaran Paul & Company, Chartered Accountants, Chennai as the Internal Auditors of the Company pursuant to Section 138 of the Companies Act, 2013 for the year 2020 - 21.

##### Disclosures:

##### Particulars of employees:

No employee of the Company was in receipt of remuneration exceeding the amount prescribed under 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Company is not paying any commission to its Directors.

##### Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177 of the Companies Act, 2013 the rules made thereunder and the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism and has adopted a whistle blower policy for the directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct.

The whistle blower policy of the Company is available in the following web link: <http://www.rubfila.com/policies>

##### Risk Management Policy :

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

The Risk Management policy of the Company is available in the following weblink: [www.rubfila.com/policies](http://www.rubfila.com/policies)

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention,

Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

The following is the summary of sexual harassment complaints received and disposed off during the period under review :

No. of complaints at the beginning of the year	: Nil
No. of complaints received during the year	: Nil
No. of complaints disposed off during the year	: Nil
No. of complaints at the beginning of the year	: Nil

##### Employees Stock Option Scheme (ESOS):

The Scheme "RUBFILA ESOS-2017" introduced by the Company to reward the eligible employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company was approved by the members in their meeting held on 15-09-2017 in terms of SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations).

The Company has obtained in-principle approval from BSE vide their letter dt 03/07/2018 for the Scheme. The scheme is administered by the Nomination & Remuneration Committee of the Board. Accordingly the Nomination and Remuneration Committee has granted options to the eligible employees of the Company in their meeting held on 01/08/2018.

There has not been any material change in the Employee Stock Option Scheme during the reporting period.

No options have been granted during the financial year 2019-20 and also no option granted earlier and in force in the same period, has been exercised by any of the grantees

The Scheme is in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). The Company has received a certificate from the Auditors of the Company that the scheme is implemented in accordance with the SBEB Regulations and the resolution passed by the shareholders in the Annual General Meeting held on 15-09-2017. The certificate would be available at the Annual General Meeting for inspection by the shareholders. The details as required to be disclosed under SBEB Regulations and certificate from Auditors are available on the Company's website and may be accessed at [www.rubfila.com/investors](http://www.rubfila.com/investors)

Disclosure as required under Employee Benefits Regulations read with SEBI circular no. CIR/CFD/POLICYCELL/2/2015 dated June 16, 2015 has been made available at the Company website at [www.rubfila.com](http://www.rubfila.com)

##### Change in the Nature of Business

There was no change in the nature of business of the Company during the Financial Year 2019-20.

- i) Material changes and commitments affecting the

financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

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

The Company is taking all the recommended precautions and safeguard measures as per the directives/guidelines/circulars issued by the Central Government and the respective State Government(s) from time to time as far as prevention and spreading of COVID-19 pandemic is concerned.

Your Company is continuously monitoring and assessing the impact of COVID-19 pandemic on the business, turnover, profitability and liquidity position particularly at subsidiary level and will be taking all the necessary steps in future in line with the various directives issued by the Regulatory authorities, from time to time.

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

There were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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

During the year, your company acquired 5620427 shares amounting to 50% of the share capital in M/s. Premier Tissues India Ltd (CIN U85110KA1998PLC023512) from Mr. Ruchit B. Patel, one of the Promoters of the Company. With the acquisition 100% equity capital, Premier Tissues India Ltd has become a wholly owned subsidiary of your Company.

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, the Company has prepared its Consolidated Financial Statement including its subsidiary Premier Tissues (India) Limited which is forming part of the Annual Report.

Further, pursuant to the provisions of Sec 136 of the Act, the standalone financial statements (including consolidated) of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries/associates are available on the website of the Company.

A Report on the salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures prepared in form AOC-1 is provided as Annexure - A.

There are no companies which have ceased to be its

Subsidiaries, joint ventures or associate companies during the year under review

The Annual Audited Accounts of the Subsidiary Company and the related detailed information will be made available to the Shareholders of the Company at the Registered Office of the Company and on the Company website [www.rubfila.com](http://www.rubfila.com) under the section Investor Relations.

#### Internal Financial Controls

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitised and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended

#### Extract of Annual Return

The Extract of Annual Return in Form No.MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 is available on the website of the Company in the following weblink: [www.rubfila.com/investors](http://www.rubfila.com/investors)

#### Cost Records

The Company has maintained cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, in respect of manufacturing activities of the Company.

#### Secretarial Standards

The directors state that the applicable Secretarial Standards as prescribed the Institute of Company Secretaries of India i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company.

#### Management Discussion Analysis Report

Management Discussion Analysis Report for the year under review as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

#### Corporate Governance

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Secretarial

Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

#### Issue of Sweat Equity Shares

The Company has not issued Sweat Equity Shares during the year under review and hence the disclosure as required under Section 54 read with rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014 is not required to be made.

#### Equity Shares with Differential Voting Rights

The Company has not issued Equity Shares with differential voting rights and hence the disclosure as required under Section 43 read with rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required to be made.

#### Change in nature of business by the subsidiaries:

There are no significant changes in the nature of business carried on by the subsidiaries of the Company wherein the impact of such changes is 10% or more of the consolidated turnover or consolidated net worth of Rubfila International Limited.

#### Appreciation and Acknowledgement

The Board of Directors places on record its sincere thanks to the Government of India, various State Governments and regulatory authorities in India.

Your Directors acknowledge with gratitude the co-operation and assistance given Kerala State Industrial Development Corporation Ltd, M/s. Integrated Registry Management Services Pvt Ltd, and other agencies of the Central and State government and Stock Exchanges for their wholehearted support.

The Directors record their sincere gratitude to the Company's shareholders, esteemed customers and all other well-wishers for their continued patronage.

Your Directors also wish to place on record the sincere appreciation of services rendered by the employees at all the levels towards your company's success during the year under review and shareholders for their active support and co-operation.

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

Palakkad  
03-08-2020

DIN 01100361  
Chairman

## ANNEXURE – A TO THE DIRECTOR'S REPORT

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Form AOC-1)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A" Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in lakhs) Nil

01.	Serial Number	01
02.	Name of the subsidiary	Premier Tissues India Ltd
03.	The date since when subsidiary was acquired	08-11-2018
04.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as the holding Company.
05.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Same as the holding Company.
06.	Share capital	Rs.1124.09 Lacs
07.	Reserves and surplus	Rs.2164.25 Lacs
08.	Total assets	Rs.4719.81 Lacs
09.	Total Liabilities	Rs.1431.47 Lacs
10.	Investments	Rs. 750.00 Lacs
11.	Turnover	Rs.5353.74 Lacs
12.	Profit before taxation	Rs. 262.88 Lacs
13.	Provision for taxation	Rs. 49.35 Lacs
14.	Profit after taxation	Rs. 213.53 Lacs
15.	Proposed Dividend	Nil
16.	Extent of shareholding (in percentage)	100%

01. Names of subsidiaries which are yet to commence operations - Nil  
02. Names of subsidiaries which have been liquidated or sold during the year. - Nil

#### Part "B" Associates and Joint Ventures:

Statement pursuant to Section (129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures - Nil

For and on behalf of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

**Bharat J Patel**      **G.Krishna Kumar**  
DIN01100361      DIN01450683

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

## ANNEXURE - B TO THE DIRECTORS' REPORT

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

#### A. CONSERVATION OF ENERGY

a) The company continues its efforts to preserve and conserve environment by monitoring the consumption of power, water, fuel and other resources. Improving efficiency in this regards is an ongoing effort and all the employees of the company are committed to this cause. A few of the ongoing efforts to conserve energy are listed below.

1. Recycling of water for process so as to reduce the consumption.
2. Rain water harvesting scaled up with more tanks made available for storing.
3. Ongoing replacement of power consuming equipment with more efficient items.
4. Silicon rubber insulation provided for chiller pipe lines and valves so as to reduce loss of heat.

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 : Above initiatives have resulted in overall reduction in the consumption of power and fuel.

Rainwater harvesting has helped the company to limit the usage of underground water during monsoon. Rainwater in excess of storing capacity is directed back to the aquifers to recharge water table improving the quality of ground water.

#### B. TECHNOLOGY ABSORPTION

Disclosure of Particulars with respect to Research and Development, Technology Absorption is as follows:  
Research and Development :

- 1) Specific areas of Research and Development :  
Activities carried out by the Company : Nil

- 2) Benefits derived as a result of the above Research and Development work : N.A
- 3) Future plan of action : Nil
- 4) Expenditure on Research and Development
  - a) Capital : Nil
  - b) Recurring : Nil
  - c) Total : Nil
- a) Total Research & Development charged to Expenditure as a percentage of total turnover Technology - Absorption, Adaptation & Innovation : Nil
  1. Efforts in brief made towards technology Absorption, adaptation and innovation : Nil
  2. Benefits derived as a result of the above efforts, product improvement, cost reduction, product development, import substitution, etc : Nil
  3. In case of imported technology (imported During the last 5 years reckoned from the beginning of the financial year) the information may be furnished
    - a) Technology imported : Nil
    - b) Year of Import : N.A
    - c) Extent of absorption : N.A

#### C) FOREIGN EXCHANGE EARNINGS & OUT GO

- (Rs. in lacs)
- 1) FOREIGN EXCHANGE EARNINGS
    - a) Export of HRLRT : 2660.14
  - 2) FOREIGN EXCHANGE OUT GO
    - a) Raw materials : 1628.59
    - b) Capital Purchase : 55.26
    - c) Sales Commission : 3.91
    - d) Travelling Expenses : 0.89
    - e) Spares : 14.83
    - e) Other Expenditure : 14.16

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

Palakkad : DIN 01100361  
03-08-2020 : Chairman

## ANNEXURE - C TO THE DIRECTORS' REPORT

### Annual Report on Corporate Social Responsibility activities :

- 1 a) Brief outline of the Company's CSR Policy : Company believes and act on the philosophy of compassion and giving back to the society, characterized by the willingness to help build a better society. The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized / under privileged sections of the society.
- b) Overview of project or programmes proposed to be Undertaken : Projects in line with the CSR Policy of the Company
- c) Weblink of CSR Policy : <http://www.rubfila.com/About us/CSR Policy>
2. The Composition of CSR Committee : The Committee consists of three directors out of which two are non-executive directors.  
  
The details of composition of the committee is mentioned in the Report on Corporate Governance attached to this Annual Report.
3. Average Net profit of the company for the last three financial years : Rs. 2504.90 Lacs
4. Prescribed CSR Expenditure (2% of the above) : Rs. 50.10 Lacs
5. a) Details of CSR spent during the financial year : Rs. 41.10 Lacs
- b) Amount unspent, if any : Rs. 09.00 Lacs

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programmes including the state and district where the projects or programmes was undertaken	Amount outlay (Budget) project or programme wise	Amount spent on the projects or programmes, Direct expenditure on projects overheads	Cumulative expenditure up to reporting period	Amount spent direct or through implementing agency
01	Programme / Project - I	Eradicating hunger, Poverty and malnutrition, promoting health care including preventive health care and Sanitation including contribution to the swachh bharat kosh set-up by the central govt for the promotion of sanitation and making available safe drinking water	Promoting health care including preventive health care and sanitation Kerala Palakkad	26.61	26.61	26.61	Direct

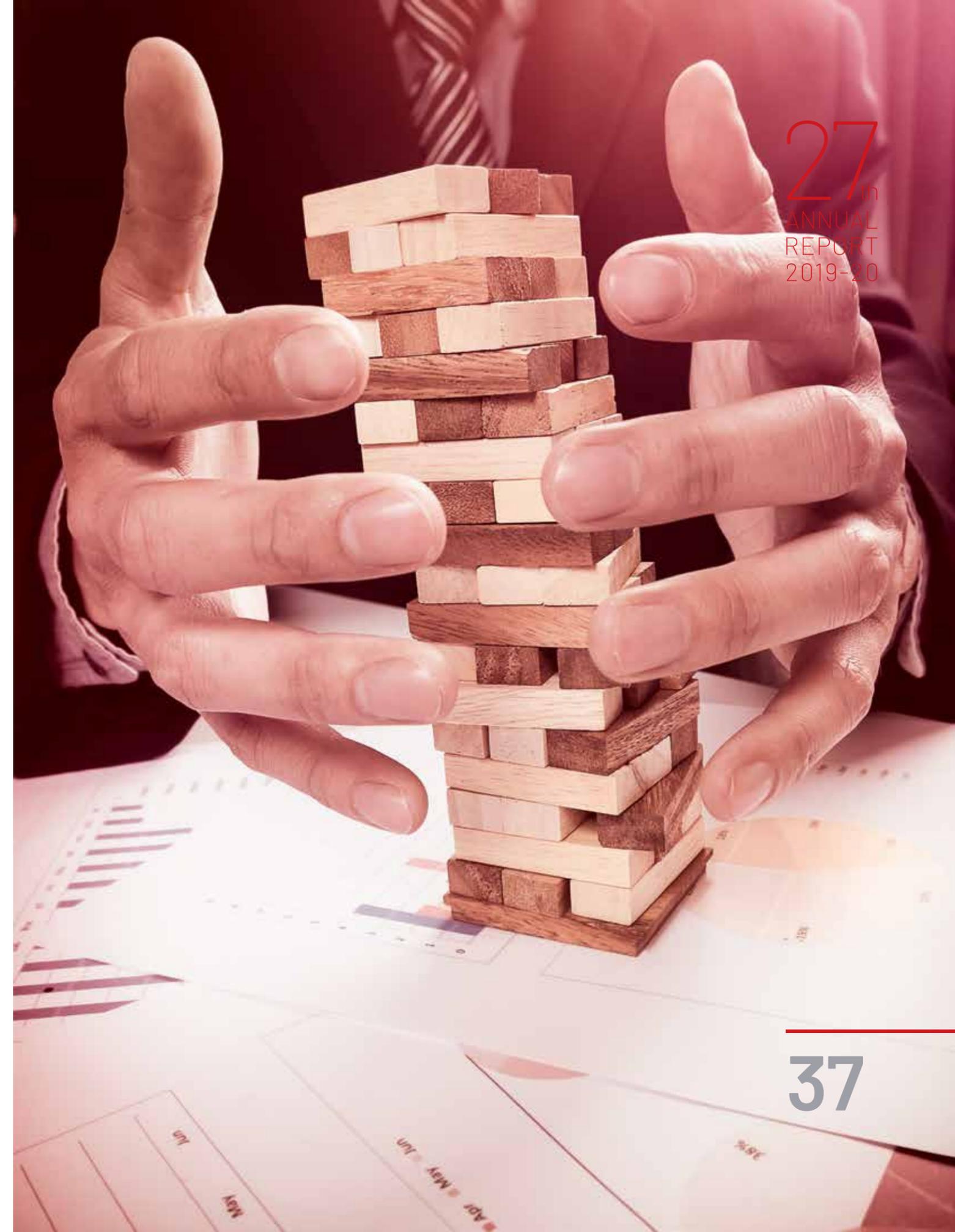
Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programmes including the state and district where the projects or programmes was undertaken	Amount outlay (Budget) project or programme wise	Amount spent on the projects or programmes, Direct expenditure on projects overheads	Cumulative expenditure up to reporting period	Amount spent direct or through implementing agency
02	Programme / Project - II	Promoting education including special education and employment enhancing vocation skills especially among women, elderly an the differently abled and livelihood enhancement projects	Promoting education including special education among children women, elderly and the differently abled Kerala Palakkad	13.49	13.49	13.49	Direct
03	Programme / Project - III	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, and measures for reducing inequalities faced by socially and economically backward groups	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups Kerala, Palakkad	1.00 Lacs	1.00 Lacs	1.00 Lacs	Direct

6. In case the company failed to spend the prescribed : Projects worth Rs.9 Lacs were on the anvil and Amount reason for the same scheduled for completion during the last week of March, 2020. Due to the Covid 19 scenario Company could not complete the pending projects which are being completed during the year 2020-21

Implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of Board of Directors  
**Bharat J. Dattani**

DIN 00608198  
Chairman, CSR Committee



## ANNEXURE - D AOC - 2

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

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

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

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

- |   |   |   |
|---|---|---|
| (1) Name(s) of the related party and nature of relationship                                     | : | M/s. Premier Tissues India Limited<br>(Subsidiary Company)  |
| (a) Nature of contracts / arrangements / transactions   | : | Sale/ Purchase of Materials   |
| (b) Duration of the contracts / arrangements / transactions                                     | : | 01.04.2019 to 31.03.2020  |
| (c) Salient terms of the contracts or arrangements or transactions including the value, if any, | : | Sale of Materials : Rs. 24.28 Lacs<br>Purchase of Material : Rs. 1.67 Lacs                            |
| (d) Date(s) of approval by the Board  | : | 05-11-2019  |
| (e) Amount paid as advances, if any   | : | Nil   |
| (2) Name(s) of the related party and nature of relationship                                     | : | Mr.Ruchit Bharat Patel<br>(Promoter)  |
| (f) Nature of contracts / arrangements / transactions   | : | Acquisition of Equity Shares of the<br>Subsidiary Company   |
| (g) Duration of the contracts / arrangements / transactions                                     | : | 16-01-2020 to 31.03.2020  |
| (h) Salient terms of the contracts or arrangements or transactions including the value, if any, | : | Acquired 5620427 Equity Shares of<br>of the Subsidiary Company for a<br>consideration of Rs.1600 Lacs |
| (i) Date(s) of approval by the Board  | : | 16-01-2020  |
| (j) Amount paid as advances, if any   | : | Nil   |

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

DIN 01100361  
Chairman

Palakkad  
03-08-2020

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## CERTIFICATE ON CORPORATE GOVERNANCE

27<sup>th</sup>  
ANNUAL  
REPORT  
2019-20

To the members of **RUBFILA INTERNATIONAL LIMITED**

- We have examined the compliance of conditions of Corporate Governance by RUBFILA INTERNATIONAL LIMITED for the year ended 31st March, 2020 as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we state that in accordance with Regulation 17 (1) (b), where the Chairman of the Company is a promoter and regular non-executive or is related to persons occupying the positions at the level of the Board of directors, atleast half of the Board of Directors of the Company shall consist of Independent Directors. However as on 31st March 2020 the Board of directors of the Company and its committees has no requisite number of Independent Directors. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except Regulation 17 (1) (b) as stated above.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVJS & Associates  
Company Secretaries

Sd/-

**Vincent P. D.**

Managing Partner

FCS: 3067

CP No: 7940

Kochi  
03.08.2020  
UDIN: F003067B000546445

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Form No. MR-3

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

27<sup>th</sup>  
ANNUAL  
REPORT  
2019-20

To  
The Members

**Rubfila International Limited**  
New Industrial Development area, Menon Para Road  
Kanjikode, Palakkad, Kerala - 678621

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our

opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Issue Of Capital and Disclosure Requirements) Regulations, 2009;
  - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As informed to us, the following other laws are specifically applicable to the Company:
  1. The Factories Act, 1948;
  2. The Air (Prevention and Control of Pollution) Act, 1981;

3. The Water (Prevention and Control of Pollution) Act, 1974;
4. The Environment (Protection) Act, 1986;
5. Battery (Management and Handling) Rules, 2001;
6. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 1989;
7. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards relating to Board (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited;

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

1. The designated person has traded 12,387 securities when the trading window was closed and the Company represented that it was an inter depository adjustment and promoter had declared that there was no intentional purchase or sale of securities.

#### We further report that

The Board of directors of the Company comprises of Executive Directors, Non-Executive Directors and Independent Directors. As per Regulation 17 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, where the Chairman of the Company is a promoter and regular non-executive or is related to persons occupying the positions at the level of the Board of directors, at least half of the Board of Directors of the Company shall consist of Independent Directors. However as on 31st March 2020 the Board of directors of the Company and its committees has no requisite number of Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system

exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period:

1. The Company has issued 45,00,000 convertible warrants on Preferential Basis to Promoters in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 through Special Resolution passed in the Extra-ordinary General Meeting held on 28th June, 2019. The Board of Directors of the Company in its meeting held on 28th February, 2020 have converted 22,50,000 convertible warrants into equal number of equity shares of the Company.

2. During the period under review the Company has acquired the remaining 50% equity shares of its subsidiary "Premier Tissues (India) Limited" i.e.

56,20,427 equity shares, pursuant to the resolution passed by the shareholders in the Extra-ordinary General Meeting held on 28th February, 2020 thereby making Premier Tissues (India) Limited a wholly owned subsidiary of the Company.

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

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

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

For SVJS & Associates  
Company Secretaries

Sd/-  
**Vincent P. D.**  
Managing Partner  
FCS: 3067  
CP No: 7940

Kochi  
03.08.2020  
UDIN: F003067B000546445

## Annexure A'

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

Our report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2020 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/ professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SVJS & Associates  
Company Secretaries

Sd/-

**Vincent P. D.**

Managing Partner

FCS: 3067

CP No: 7940

Kochi

03.08.2020

UDIN: F003067B000546445

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
**Rubfila International Limited**  
New Industrial Development area, Menon Para Road  
Kanjikode, Palakkad, Kerala - 678621

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Rubfila International Limited [CIN: L25199KL1993PLC007018]** and having its registered office at New Industrial Development Area, Menon Para Road, Kanjikode, Palakkad, Kerala - 678621 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	SHAUKAT HASANALI MERCHANT	00075865	15/09/2017
2	BHARAT JAMNADAS DATTANI	00608198	08/09/2005
3	PATRICK MICHAEL DAVENPORT	00962475	26/09/2015
4	BHARAT JAYANTILAL PATEL	01100361	08/09/2005
5	DHIREN SHAH SHEVANTILAL	01149436	28/01/2009
6	GOPINATHAN PILLAI KRISHNA KUMAR	01450683	27/10/2007
7	THOMAS CARLTON THOMPSON III	01509260	08/09/2005
8	CHITRA RAMAKRISHNAN	01560585	13/02/2015
9	SAMIR KIRITKUAMR SHAH	01714717	26/09/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVJS & Associates  
Company Secretaries

Sd/-

**Vincent P. D.**

Managing Partner

FCS: 3067

CP No: 7940

Kochi

03.08.2020

UDIN: F003067B000546445

# REPORT ON CORPORATE GOVERNANCE

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

It is an underlined principle that every corporate needs to adopt and follow best practices to endure in the space in which it operates. For RUBFILA, the governance philosophy is not limited to confirming of compliance of laws, but is a blend of both legal and management practices to enshrine the same in the decision-making process. Over the past two and a half decades of its existence, the Company has been practicing best principles suiting the changing business environment and ensuring to safeguard the interests of all stakeholders. Governance philosophy of the company is outlined with the sole objective of taking care of the interests of all the stakeholders.

## 2. BOARD OF DIRECTORS

- (a) Composition of the Board and category of Directors  
As on 31st March, 2020, the Company's Board consists of 9 Directors having considerable professional experience in their respective fields. The Board has been constituted as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Companies Act, 2013. The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board. The composition and category of the directors along with their attendance of Board meetings and shareholdings in the Company as on 31st March, 2020 are given below:

Name	Category of Directors	No. of shares held as on 31st March, 2020	No. of Outside Directorships held in Indian Public Limited Companies	No. of Outside Committee positions held in Audit/ Stakeholders Relationship Committees		No. of Board Meetings		Attended last AGM
				Member	Chairman	Held	Attended	
Mr. Bharat J Patel (DIN 001100361)	Chairman Non-Executive Non-Independent (Promoter)	7819406	Nil	Nil	Nil	7	7	Yes
Mr. G. Krishna Kumar (DIN 01450683)	Managing Director Executive	58571	Nil	Nil	Nil	7	6	Yes
Mr. Thomas Carlton Thompson 3rd (Tommy Thompson) (DIN 01509260)	Non-Executive Non-Independent	Nil	Nil	Nil	Nil	7	2	No
Mr. Bharat J. Dattani (DIN 00608198)	Non-Executive Non-Independent (Promoter)	Nil	Nil	Nil	Nil	7	4	Yes
Mr. Dhiren S Shah (DIN 01149436)	Non-Executive Non-Independent (Promoter)	224755	Nil	Nil	Nil	7	7	Yes
Mr. Samir K Shah (DIN 01714717)	Non-Executive & Independent	Nil	Nil	Nil	Nil	7	1	Yes
Mr. Patrick M Davenport (DIN 00962475)	Non-Executive & Independent	Nil	Nil	Nil	Nil	7	2	No
Mrs. R. Chitra (DIN 01560585)	Non-Executive & Independent	Nil	Nil	Nil	Nil	7	4	No
Mr. S.H .Merchant (DIN 00075865)	Non-Executive & Independent	3540	1	Nil	Nil	7	5	No

The Board evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

Further the Board fulfills the key functions as prescribed under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being part of the new Listing Agreement.

The directorships held by the Directors as mentioned above do not include Alternate Directorships and Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

As per the declarations received from the Directors, none of the Directors is disqualified under Section 164(2) of the Companies Act, 2013.

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/ Chairmanships of only Audit Committees and Stakeholder Relationship Committees in all public limited companies (excluding Rubfila International Limited) have been included.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- None of the directors of the Company were members in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director.

- None of the Independent Directors of the Company held directorships in more than seven listed companies

The Companies Act, 2013 read with relevant Rules made thereunder, facilitates the participation of the Director in the Board/ Committee meetings through video conferencing or other audio mode. However none of the Directors have availed such a facility during the period under review.

The Senior Management team has confirmed to the Board of Directors that no material and commercial transactions have been entered into between the Company and members of Senior Management team, where they have personal interest.

#### a) Board Meetings :

The Board of Directors meets normally once in a quarter to consider among other business, the quarterly performance of the Company and financial results. 7 (seven) Board Meetings were held during the Financial Year 2019-20 on 28/05/2019, 12/07/2019, 09/08/2019, 05/11/2019, 16/01/2020, 11/02/2020, 28/02/2020.

The meetings of the Board of directors and committees were conducted in the manner as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The maximum interval between any two meetings was not more than 120 days. The Board agenda with proper explanatory notes are prepared and circulated well in advance to all the Board members. All statutory and other matters of significant importance including information as mentioned in Part A of Schedule II to the Listing Regulations are tabled before the Board, to enable it to discharge its responsibility of strategic supervision of the Company. The Board reviews compliances of all laws, rules and regulations on a quarterly basis. At the Board Meeting, members have full freedom to express their opinion, and decisions are taken after detailed deliberations.

#### b) Performance evaluation of Directors :

The Board of directors have approved and laid down the criteria for performance evaluation of all Directors by the Nomination and Remuneration committee. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated at the separate meetings of Independent Directors and Non-Independent Directors held on 11/02/2020. The criteria for performance evaluation are as follows:

- To understand the nature and role of Independent Director's position.
- Understand the risks associated with the business.
- Application of knowledge for rendering advice to the Management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Non-partisan appraisal of issues.
- Give own recommendations professionally without tending to majority or popular views.
- Handling issues as Chairman of Board and other committees.
- Driving any function or initiative based on domain knowledge and experience.
- Level of commitment to roles and fiduciary responsibilities as a Board Member.
- Attendance and active participation.
- Ability to think proactive, strategic and laterally.

#### b1) Chart setting out the skills/expertise/competence of Board of Director

The Board of Directors along with Nomination & Remuneration Committee (NRC), identifies the right candidate with right qualities, skills and practical expertise/ competencies required for the effective functioning of individual member to possess and also the Board as a whole. The Committee focuses on the qualification and expertise of the person, the positive attributes, standard of integrity, ethical behavior, independent judgement of the person in selecting a new Board member. In addition to the above, in case of independent directors, the Committee shall satisfy itself with regard to the independence of the directors to enable the Board to discharge its functions and duties effectively.

- a. Finance & Accounting Competence.
- b. Leadership quality in running large enterprise.
- c. Understanding use of latest technology in Rubber Thread.
- d. Expertise in understanding of changing regulatory framework.
- e. Exposure in setting the Business Strategies.

**List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board and the names of directors who have such skills / expertise / competence :**

Sl.No.	Name	Special Knowledge / Practical Experience
1	Mr.Bharat J Patel (DIN 001100361)	Finance / Economics /Governance / Compliance
2	Mr. G Krishna Kumar (DIN 01450683)	Project, Technology / Operations / Management
3	Mr.Thomas Carlton Thompson 3rd (Tommy Thompson ) (DIN 01509260)	Finance / Economics /Governance / Compliance
4	Mr. Bharat J Dattani (DIN 00608198)	Finance / Economics /Governance / Compliance
5	Mr. Dhiren S Shah (DIN 01149436)	Finance / Economics /Governance / Compliance
6	Mr. Samir K Shah (DIN 01714717)	Finance / Economics /Governance / Compliance
7	Mr. Patrick M Davenport (DIN 00962475)	Finance / Economics /Governance / Compliance
8	Mrs. R. Chitra (DIN 01560585)	Economics /Governance / Social Work
9	Mr. S.H.Merchant (DIN 00075865)	Legal / Economics /Governance / Compliance

**c) Code of Conduct :**

The Board has laid down a Code of Conduct for all Board members and senior management which is posted on the website of the Company. The independent directors are suitably made aware of their duties and responsibilities and their performance is evaluated by the entire Board apart from the director who is subject to evaluation. All Board members have affirmed the compliance with the Code of Conduct. Code of conduct of Board of Directors and Senior Management Personnel are available in Company's website: [www.rubfila.com/investors](http://www.rubfila.com/investors).

**d) Appointment and Meeting of Independent Directors :**

The Company has five independent directors. The Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has conducted familiarization programme for its independent directors to make them aware of the nature of the industry and their roles, rights, responsibilities in the Company. The details of familiarization programme and the terms of appointment of independent directors are available on the Company's website: [www.rubfila.com/investors](http://www.rubfila.com/investors).

During the year under review, the Independent Directors meeting was held on 11/02/2020 has:

- a) Reviewed the performance of non-independent directors and the Board as a whole.



- b) Reviewed the performance of the Chairperson of the Company, taking into account the views of the executive and non executive directors.
- c) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**e) Qualified and Independent Audit Committee :**

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

**3. COMMITTEES OF BOARD**

**a) Audit Committee :**

Audit Committee comprises of 4 Directors viz; Mr. Patrick M. Davenport as Chairman, Mr. Dhiren S. Shah, Mr. Samir K. Shah and Mr. S. N. Rajan.

All members of the Audit Committee have accounting and financial management expertise. 4 Audit Committee Meetings were held during the period under review viz.,28/05/2019, 09/08/2019, 05/11/2019 and 11/02/2020. The

Company Secretary acts as the Secretary to the Audit Committee. The attendances of the members of the Committee in the aforementioned meetings are as follows:

Name of Director	Mr. Patrick M. Davenport	Mr. Dhiren S. Shah	Mr. Samir K. Shah	Mr. S.N. Rajan
No. of Meetings attended	2	4	1	3

Mr. S.N. Rajan resigned from the Board effective from 11-02-2020

Name of Director	Attendance of Directors			
	28.05.2019	09.08.2019	05.11.2019	11.02.2020
Mr. Patrick M. Davenport	✓	✗	✗	✓
Mr. Dhiren S. Shah	✓	✓	✓	✓
Mr. Samir K. Shah	✗	✗	✓	✗
Mr. S.N.Rajan	✓	✓	✓	✗

#### Terms of reference of Audit Committee

1. The following are the terms of reference of the Audit Committee:

- (i) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of our Company based on the order of Comptroller & Auditor General of India;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (vi) Board for approval;
- (vii) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (viii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (ix) Approval or any subsequent modification of transactions of our Company with related parties;

- (x) Scrutiny of inter-corporate loans and investments;
- (xi) Valuation of undertakings or assets of our Company, wherever it is necessary;
- (xii) Evaluation of internal financial controls and risk management systems;
- (xiii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiv) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xv) Discussion with internal auditors of any significant findings and follow up there on;
- (xvi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xviii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xix) To review the functioning of the whistle blower mechanism;
- (xx) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xxi) Review the following information:
  - (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (d) Internal audit reports relating to internal control weaknesses; and
  - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
  - (f) Statement of deviations:
    - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1) of the SEBI Listing Regulations;
    - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of regulation 32(7) of the SEBI Listing Regulations;
- (xxii) To review the follow up action on the audit observations of the C&AG audit;
- (xxiii) Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors; and
- (xxiv) Carrying out any other function as specified by the Board from time to time.

Where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year Not Applicable.

#### b) Stakeholders Relationship Committee

The Stakeholders Relationship Committee oversees the redressal of Security holder's complaints relating to share transfers / transmission, non-receipt of Annual Reports, non receipt of declared dividend etc.

The Committee comprises of Mr. Patrick M Davenport as Chairman and Mr. Samir K.Shah, and Mr.Dhiren S. Shah as

members. Mr. N.N. Parameswaran, being Company Secretary & Compliance Officer acts as Secretary to the Committee to discharge the function of the Committee.

During the year, the committee met on 4 times viz; 28/05/2019, 09/08/2019, 05/11/2019 and 11/02/2020. Attendance of Stakeholder's Relationship Committee meetings is as below:

Name of Director	Mr. Patrick M. Davenport	Mr. Dhiren S. Shah	Mr. Samir K. Shah
No. of Meetings attended	2	4	1

Name of Director	Attendance of Directors			
	28.05.2019	09.08.2019	05.11.2019	11.02.2020
Mr. Patrick M. Davenport	✓	✗	✗	✓
Mr. Dhiren S. Shah	✓	✓	✓	✓
Mr. Samir K. Shah	✗	✓	✓	✗

Composition of the Committee is available on Company's website : [www.rubfila.com/investors](http://www.rubfila.com/investors).

#### REDRESSAL OF INVESTOR GRIEVANCES THROUGH SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)

SCORES stands for SEBI Complaints and Redress System. It is a centralized web based grievance redressal system launched by SEBI (<http://scores.gov.in>). SCORES provide a platform for aggrieved investors, whose grievances, pertaining to securities market, remain unresolved by the concerned listed company or registered intermediary after a direct approach. All the activities starting from lodging of a

complaint till its closure by SEBI would be handled in an automated environment and the complainant can view the status of his complaint online.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form at any of the offices of SEBI. Such complaints would be scanned and also uploaded in SCORES for processing.

Pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the status of investor complaints received and redressed during the financial year 2019-20 as follows:

Sl. No.	Particulars	No. of complaints
1.	Number of Investor complaints pending at the beginning of the year	Nil
2.	Number of Investor complaints received during the year	Nil
3.	Number of Investor complaints redressed during the year	Nil
4.	Number of Investor complaints remaining unresolved at the end of the year	Nil

#### c) Corporate Social Responsibility Committee (CSR Committee)

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee. The Committee evaluates and recommend the CSR proposal to the Board for approval.

The CSR Committee comprises of Mr.Bharat J.Dattani (DIN 01462746) as the Chairman, Mr.S.N.Rajan (DIN 00105864) and Mr.G.Krishna Kumar (DIN 01450683) Directors as members. The Company Secretary acts as a Secretary to the Committee.

##### Key Responsibilities of the CSR Committee :

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.

- Review the Company's performance in the area of CSR.
- Evaluate the social impact of the Company's CSR activities.
- Review the CSR Report, with the management, before submission to the Board for approval.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent for the intended purpose only.

The CSR policy is available on the Company's website : [www.rubfila.com/investors/policies](http://www.rubfila.com/investors/policies)

During the year Committee met two times, viz; 05/11/2019 and 11/02/2020. Attendance of CSR Committee meetings is as below :

Name of Director	Mr. Bharat J. Dattani	Mr. S.N. Rajan	Mr. G. Krishna Kumar
No. of Meetings attended	2	1	2

Name of Director	Attendance of Directors	
	05.11.2019	11.02.2020
Mr. Bharat J. Dattani	✓	✓
Mr. S.N. Rajan	✓	✗
Mr. G. Krishna Kumar	✓	✓

Mr.S.N.Rajan resigned from the Board effective from 11-02-2020

#### d) Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee is in line with new SEBI Listing Regulation and Section 178 of Companies Act, 2013. The Committee comprises of Mr. Patrick M. Davenport as Chairman, Mr. Bharat J. Patel and Mr. S.N. Rajan as Members. Company Secretary acts as the Secretary and Compliance Officer to the Committee.

During the period under review the Committee met once on 11/02/2020 for which all the members were present.

Name of Director	Mr. Patrick M. Davenport	Mr.Bharat J.Patel	Mr.S.N.Rajan
No. of Meetings attended	1	1	0

Mr.S.N.Rajan resigned from the Board effective from 11-02-2020

#### Terms of Reference

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### Criteria for evaluation of the performance of Non-Executive Directors and Independent Directors (NEDs and IDs)

The Company has in place a Nomination & Remuneration Policy as per Section 178 (3) of the Companies Act, 2013, which covers the criteria for evaluation of the performance of NEDs and IDs.

As per the Policy, the Board while evaluating the performance of NEDs and IDs shall take into consideration the fol-

lowing criteria:

- Understanding and knowledge of the market in which the Company is operating.
- Ability to appreciate the working of the Company and the challenges it faces.
- Attendance of meeting.
- Extend of participation and involvement in the meetings.
- Ability to convey his views and flexibility to work with others.

Marks may be assigned for each of the above criteria and based on the score achieved, the Board may evaluate the performance of each NED and ID.

#### Remuneration of Executive / Non-Executive Directors :

Non-Executive Directors are paid sitting fees for attending the meetings of the Board / Committee within the limits as prescribed under the Companies Act, 2013. The sitting fees are fixed from time to time by the Board on the recommendation of Nomination and Remuneration Committee. These Directors are also reimbursed of any out of pocket expenses incurred by them for the purpose of the Company.

Non- Executive Directors do not have any pecuniary relationship or transactions with the Company.

Details of remuneration paid to the Directors are as follows :

Name of the Director	Business relationship with the Company	Salary, benefits, bonus etc paid during the year 2019-20	Sitting fess (for Board and its committess)
Mr.Bharat J Patel	Chairman	-	1,40,000
Mr. G.Krishna Kumar	Managing Director	Rs. 81,38,291	0
Mr.Thomas Carlton Thompson 3rd (Tommy Thompson)	Director	-	40,000
Mr.Bharat J. Dattani	Director	-	80,000
Mr.Dhiren S Shah	Director	-	1,60,000
Mr.Samir K Shah	Independent Director	-	25,000
Mr.Patrick M Davenport	Independent Director	-	50,000
Mr.S.N.Rajan	Independent Director	-	1,15,000
Mrs.R.Chitra	Women Director (Independent Director)	-	80,000
Mr.S.H.Merchant	Independent Director	-	1,00,000

Mr.S.N.Rajan resigned from the Board effective from 11-02-2020

#### 4. GENERAL BODY MEETINGS

The General Meetings for the last four years were held as follows:

Year	AGM	Venue	Date	Time	No. of Special Resolutions
2015 -16	AGM	SKM Auditorium, Kanjikode.	30/09/2016	11.00 a.m.	Nil
2016 -17	AGM	R.B.Auditorium, Kanjikode	15/09/2017	11.00 a.m.	Nil
2017 -18	AGM	R.B.Auditorium, Kanjikode	22/09/2018	11.00 a.m.	Nil
2018 -19	AGM	SKM Auditorium, Kanjikode	21/09/2019	11.00 a.m.	Nil

No postal Ballot was conducted during the last Four years.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

#### Details of Special resolutions passed in the previous three Annual General meetings and Extra Ordinary General Meetings

Date of General Meeting	Details of Special Resolutions passed
15-09-2017	Approval of Employee Stock Option Scheme 2017 ( RUBFILA ESOS 2017)
19-04-2017	Alteration of Articles of Association of the Company.
19-04-2017	Issue of Warrants on Preferential Allotment Basis to Promoters and PAC.
28-06-2019	Issue of Warrants on Preferential Allotment Basis to Promoters and PAC
28-02-2020	Approval of Related Party Transactions.

#### MEANS OF COMMUNICATION

- Quarterly unaudited and annual audited financial results of the Company were published in "Business Line" (English Language National Daily) and "Kerala Kaumudi" (Vernacular Language)
- The results were displayed on the website of BSE Limited and also on the Company's website at www.rubfila.com
- The Company issues press releases after quarterly and annual financial results were announced.

#### 5. DISCLOSURES

##### a) Related Party Transactions :

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

The Company has framed a policy on materiality of related party transactions and on dealing with related party transactions. The policy as approved by the Board is uploaded on the Company's website: <http://www.rubfila.com/policies>.

The details of related party transactions are disclosed in Note No.31 attached to and forming part of the accounts.

##### b) Vigil Policy (Whistle Blower Policy)

The Board of Directors has adopted a Whistle Blower Policy to enable the Stakeholders (including Directors, employees and their representative bodies) to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Governance and Ethics and also provide for direct access to the Chairman of Audit Committee in exceptional cases. The policy provides adequate safeguard against victimization of directors (s) / employee (s). Your company hereby affirms that no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Vigil Policy has been disclosed on the Company's website [www.rubfila.com/investors/policies](http://www.rubfila.com/investors/policies)

##### c) Policy for determining Material Subsidiaries

The particulars of the subsidiary Company of the Company

Sl No.	Name of Company	CIN	Subsidiary Associate	% of Shares held	Applicable Section
1	Premier Tissues (India) Limited	U85110KA1998PLC023512	Subsidiary	100%	2 (87)

The Company has framed a Policy on Material Subsidiaries which is available on the link [www.rubfila.com](http://www.rubfila.com)

The Company monitors the performance of the subsidiary company, inter alia, by the following means.

- Financial Statements of the subsidiary company are reviewed regularly by the Company's Audit Committee and the Board.

- Minutes of the Board Meetings of Unlisted Subsidiary Companies are placed and taken on record by the Board.

As the Company doesn't have any subsidiaries under the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the requirements for adopting the policy for determining 'material' subsidiaries is not applicable in the case of the Company. Hence we have not shown the web link of the policy in this report.

**d) Disclosure of Accounting Treatment**

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

**e) Review of compliance reports pertaining to all laws applicable to the Company**

A comprehensive report on the status of compliance with all the applicable laws to the Company is placed before the Board on a quarterly basis for their review and knowledge.

**f) Code of Conduct for prohibition of Insider Trading**

The Company has in place a Code of Conduct for Prevention of Insider Trading for its Designated Persons, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations.

The Code of Conduct for Prevention of Insider trading is hosted on the website of the Company and can be accessed at: <http://www.rubfila.com/investors>

**g) Details of compliance with mandatory requirements**

The Company has complied with all applicable requirements of Regulations 17 to 27 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

h) The Company is maintaining a functional website where all material information about the Company is shared. All information as specified in the clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 is available in the Company's website at <http://www.rubfila.com/>.

i) Compliance certificate on Corporate Governance provided by the Company Secretary in Practice of the Company confirming the compliance with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015, is annexed herewith

**6. GENERAL SHAREHOLDER INFORMATION**

- i) Annual General Meeting Date : 10th September, 2020
- ii) Venue of meeting : Video Conferencing (VC) / Other Audio Visual Means (OAVM)
- iii) Time of meeting : 11.00 A.M.
- iv) Financial Year : 2019 - 20
- v) Book closure date : 04th September, 2020 to 10th September, 2020 (both days inclusive)
- vi) Dividend recommended for the year : 24%
- vii) Dividend Payment date : Dividend shall be paid within 30 days of AGM
- viii) Listing on stock exchange : BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (The listing fees for the financial year 2020-21 were duly paid to BSE Limited within time)
- xi) Stock Code : 500367
- x) Market price Data (Face value of Rs.5)



Month	Month's High Price	Month's Low Price
April - 2019	44.50	40.00
May - 2019	45.45	36.20
June - 2019	45.00	35.65
July - 2019	40.95	27.25
August - 2019	35.45	30.35
September - 2019	38.95	33.30
October - 2019	36.25	30.35
November - 2019	36.00	30.10
December - 2019	33.90	26.55
January - 2020	42.00	32.05
February - 2020	38.85	30.25
March - 2020	33.75	20.10

**k) Distribution of shareholding**

Sl No	Category of shares	No.of Holders	% to Holders	No.of Shares	% to Shares
1	Upto - 500	36603	92.55	4449067	8.99
2	501 - 1000	1447	3.66	1160072	2.35
3	1001 - 2000	667	1.69	1027841	2.08
4	2001 - 3000	236	0.60	600831	1.21
5	3001 - 4000	123	0.31	446988	0.90
6	4001 - 5000	111	0.28	521446	1.05
7	5001 - 10000	164	0.41	1222054	2.47
8	10001 and Above	197	0.50	40039230	80.94
	<b>Total</b>	<b>39548 RU</b>	<b>100.00</b>	<b>49467529</b>	<b>100.00</b>

**l) Dematerialisation of shares and liquidity :**

The company has arranged agreements with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) for Dematerialisation of shares through Integrated Registry Management Services Private Limited. The Shareholding Pattern as on 31/03/2020 is as follows:

Category	No. of Shares held	% of Shareholding
Promoters	29283952	59.20
Mutual Funds/ UTI / Fin. Institutions / Banks	63810	0.13
Bodies Corporate	Nil	Nil
Public Individuals	20119767	40.67
<b>Total</b>	<b>49467529</b>	<b>100.00</b>

The Company has received certificate from a Company Secretary in Practice on a quarterly basis for timely dematerialization of the Company's shares and for reconciliation of the total equity capital with both the depositories and in physical mode with the total paid up capital as per books

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

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

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

**n) Share Transfer System :**

The Company has appointed M/s.Integrated Registry Management Services Private Limited as its Share Transfer Agents and the share transfer/ transmission, dividend payments and all other investor related matters are attended to and processed at the office of the share transfer agents of the Company. The share transfer agents after processing the requests of investors, put up the same to the Stakeholder relationship committee of the Board of the Company for its information and confirmation.

**o) Auditors' Remuneration**

The total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which the statutory auditor is a part of are as follows:

	(Rs. in Lacs)
Payment to Statutory Auditors	3.00
Payment to all the entities in the Statutory Auditors network firms	-
<b>Total</b>	<b>3.00</b>

**p) Certificate of Non-disqualification of Directors**

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed herewith

**q) Utilization of funds raised through preferential allotment**

Funds raised through preferential allotment of convertible warrants are utilized for general business operations/ projects.

**r) UNCLAIMED/ UNPAID DIVIDENDS**

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

Year	% of share Paid up value
2012 - 13	12
2013 - 14	12
2014 - 15	15
2015 - 16	10
2016 - 17	15
2017 -18	20
2018 -19	20

Members wishing to claim unclaimed dividends are requested to correspond with the Company Secretary at the registered office. Members are requested to note that dividends which are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Companies Act, 2013 and Rules made thereunder, be transferred to the Investor Education and Protection Fund. Further, pursuant to the provisions of section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividend remain unpaid / unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. The Company has uploaded the details of unpaid and unclaimed amounts on the website of the Company (www.rubfila.com). Shareholders who have not encashed their dividend warrants for any of the years 2013-14 to 2018-19 are requested to get the warrants revalidated by the Bank, since the outstanding dividend will be transferred to Investor Education and Protection Fund.

**s) Disclosure of commodity price risks and commodity hedging activities:**

The Company follows prudent Board approved Risk Management Policy for minimizing threats or losses, and identifying and maximizing opportunities and thereby to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. Please refer the Management Discussion and Analysis forming part of this Annual Report.

**t) There were no outstanding GDR/ADR/warrants or any convertible instruments as at and for the year ended March 31, 2018**

**Plant Locations**

- i) RUBFILA INTERNATIONAL LTD  
NIDA, Kanjikode, Palakkad, Kerala - 678 621
- ii) RUBFILA INTERNATIONAL LTD  
371/3, Swaminathapuram,  
Palani Main Road, Madathukulam (P.O.),  
Palani Taluk, Dindigul District, Tamil Nadu - 642 113
- iii) Subsidiary Company  
Premier Tissues India Ltd  
# 58/59, Ranganathapura, Rangasamudra Post  
Near Bannur, T. Narasipura, Mysore - 570 101

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

**u) Bank Details**

Members holding shares in physical form are requested to notify the following to the Registrar & Transfer Agents: particulars of their bank account - name of the bank, branch with complete postal address, account number, MICR and IFSC to facilitate electronic payment. Members holding shares in Dematerialized form and not opted for remittance of dividend through NECS are requested to notify the above details to their respective Depository Participants (DPs).

**7. CODE OF CONDUCT AND CEO/CFO CERTIFICATION**

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

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

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

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

**We hereby declare that:**

"The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2019-20 in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015"

G.Krishna Kumar  
Managing Director

N.N.Parameswaran  
CFO

# MANAGEMENT DISCUSSION AND ANALYSIS

27<sup>th</sup>  
ANNUAL  
REPORT  
2019-20

Rubfila manufactures rubber threads which is the major raw material for the elastic tape industry which is a critical segment of the inner wear industry. The company with its reputation to be the largest player in the Indian market posted a gross sales turnover of Rs. 22,770.61 lakhs during the year under review.

## A) INDUSTRY STRUCTURE AND DEVELOPMENT

### Market Scenario

Rubfila has further consolidated its position as a trusted and dependable supplier of Latex Rubber Thread during the year. Latex rubber thread being an industrial input for elastic tape, the customer base has essentially remained the same. Rubfila caters to almost all the elastic manufacturers in the country having built the relationship over the period 27 years of its existence. Though the company had expanded its capacity over the past 4 years, it still reached a level where it found it difficult to service all the customers in time. To ide over this, a new plant was set up in Tamil Nadu.

The biggest threat for the Indian rubber thread industry comes from the companies in Thailand and Malaysia where latex prices have traditionally ruled lower than the Indian prices. Also, the import duty on rubber threads is just 5% only which makes it an attraction for many customers in India. This has always forced the Indian manufacturers to price their product considering the import price as the benchmark putting on the margins. This year too, close to 3000 MT of threads were imported into the country, but this was slightly lower than the imports in the previous year. This reduction in imports has happened due to the fact that the Indian manufacturers priced their products lower than the import price squeezing themselves for margins.

Rubfila has always been in the process of expanding its footprint in the international market which also was a reflection of its plan to expand its capacity. Over the period of many years, it has stabilised its presence in some countries whereas it is in the process of identifying new customers in other countries. Americas is turning out to be promising market for growth while customers from some of the European countries have remained as loyal for more than a decade. Many new countries are being explored as a part of the market expansion and development of customers is at various stages like sampling, negotiation etc. The company is optimistic of a quarter of its total sales coming from exports in the next one year time span.

### OPPORTUNITIES AND THREATS :

#### Strengths of the Company are:

1. Largest manufacturing capacity for rubber threads in the country.
2. Reputed brand name.
3. Caters to majority of the Indian customers spread over the hosiery clusters of Delhi, Kolkata, Ahmedabad, Surat, and Tirupur and other parts of the country. The company maintains regional marketing offices in all the above regions so as to have a close contact with the customers.
4. Has presence in the international market with repeat orders from customers.
5. Experienced and committed employees with in depth knowledge of the industry.

The major threats faced by the Company have remained the same over the past many years as listed below :-

1. Cheaper imports of rubber threads from Malaysia

- and Thailand.
2. Large unutilised capacities in the South East Asian countries.
  3. Higher import duties for Centrifuged Latex, the major raw material.
  4. Policy constraints on imports of natural latex.
  5. Highly volatility in the domestic latex prices.
  6. Liquidity constraints in the domestic markets.
  7. Inverted duty structure in imports.
  8. Usage of spandex in the market.

**Premier Tissues India Ltd (Wholly-owned Subsidiary) :**

Premier Tissues (PT) operates in the hygiene product segments and over the period of 22 years of existence has created a good brand positioning in the market. Premier today is considered to be the most respected tissue paper brand in India, though the company could not leverage that into a comparable market share due to various factors. After RIL took over the company, it has initiated a series of steps to leverage the brand equity into a comparable business performance.

The company is strong in south India and currently is in process of setting up wider distribution network in all geographical locations across India to make the product available in every market in the country. PT has two brands of Premier and Royal which cater to two different segments of the market and the company is in the process of transforming these brands to reach out to a much larger customer base.

The market for hygiene products has witnessed a real growth trend due to the Covid situation and this trend may help the company to further leverage the sales of the company.

**OUTLOOK :**

**Rubfila International Ltd**

The whole world has fallen into economic recession consequent to the COVID pandemic and rubber thread industry is also not going to be an exception from the effects. Textile is one of the majorly affected industry world over and with Rubfila catering to this segment, it could be a real challenge for the company to maintain the growth as was seen in the recent years.

The new financial year has started with a country wide lock down due to the pandemic resulting loss of production and sales. Though production has resumed after the lock down was lifted there are challenges in the market due to continuing uncertainty on regional restrictions of movement etc.

The company successfully commissioned one new production at Udumalpet, Tamil Nadu by the end of March,



2020, but could not operate the same for the entire first quarter of the year. Efforts are on to see that this additional capacity is also put to use for the rest of the year. With new markets for exports being explored, the company is hopeful of utilising the whole capacity and make up for the lost time.

**Premier Tissues India Ltd (Wholly-owned Subsidiary) :**

The Covid pandemic has changed the way people live and that is going to have a big impact on the future of PT. PT operates in the hygiene product segment and has many products in its stable to help the world fight a long drawn battle against the pandemic. World over, the demand for hygiene products has shot up and is expected to remain like that in the near future too. PT has already launched many new products like sanitising/ surface wipes/ disinfectant spray in the market and has got in the pipeline a series of products to help people to fight pandemic in their daily life.

PT is hopeful of becoming a major player in the hygiene and health segments in India. It is in the process of expanding the sales network across the country and the steps initiated are expected to scale up the business considerably. With the demand for hygiene products up world over, company is exploring exports market also for developing business.

**B) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

**C) FINANCIAL AND OPERATIONAL PERFORMANCE**

Please refer Board Report on performance review.

**D) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES /INDUSTRIAL RELATIONS FRONT**

The company has a committed team of employees working at various levels, a factor which helps it to stand apart from the crowd. Without their support, the company could not have achieved this level of performance and the management is thankful to them for that.

The Long-Term Wage Settlement agreement with the trade unions ended on 31st March, 2020. The unions have submitted their charter of demands for revision, but the management has informed them that under the current post-Covid scenario, it would not consider the demand for revision of the wages.

# Standalone Financial Statement

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Financial Statement

# INDEPENDENT AUDITORS' REPORT

To the members of Rubfila International Limited

## Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of Rubfila International Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the standalone statement of changes in equity and the standalone cash flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Considering the materiality of the amounts involved, the significant management judgement required in estimating the quantum of diminution in the value of investment and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Recoverability of Intercompany deposits</b></p> <p>The company has made inter corporate deposits to unrelated companies based on factors such as track record, size of organisation, market reputation and value of the security. As at 31 March 2020 the company has intercompany advances to the tune of Rs 500 Lakhs (previous year Rs. Rs 1,735 Lakhs) of which interest is not being serviced by one of the companies named M/s Raveena Hotels Private Limited to whom Rs. 50 Lakhs is advanced.</p> <p>As per the assessment of the management the amount is fully recoverable and the company has approached the National Company Law Tribunal for legal action.</p>	<p><b>Our procedures included, but were not limited to the following:</b></p> <p>Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of loanee companies and the amount of loan to be sanctioned;</p> <p>Obtained and verified the financial due diligence report to understand the financial stability of the unrelated companies and the ability of the company to repay the deposits</p> <p>Obtained and verified the promissory notes furnished to the company.</p> <p>Obtained an opinion from expert on the possible outcome of the pending litigation in respect of the financial impact of the various outcomes.</p> <p>Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;</p>
<p><b>Duty Draw Back</b></p> <p>The assessment of the duty drawback claimed for the financial years 2001-2003 by the Commissioner of Customs has issued an order for recovery of Duty Drawback awarded amounting to Rs. 391.73 Lakhs (previous year Rs. 391.73 Lakhs) in 2008-09 and the case is pending before the Tribunal. Refer note -XX</p> <p>As per the assessment of the management no provisioning is required for year considering the merits of the case and the legal stand taken by the company</p> <p>Considering the materiality of the amounts involved, the significant management judgement required in estimating the quantum of diminution in the value of investment and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit.</p>	<p><b>Our procedures included, but were not limited to the following:</b></p> <p>Obtained an understanding of management's stand on the submissions filed with various appellate authorities and has considered the rulings of various courts in similar cases to determine the possible result of the case.</p> <p>Obtained an opinion from expert on the possible outcome of the pending litigation in respect of the financial impact of the various outcomes.</p> <p>Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;</p>

## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information

comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone finan-

cial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors

are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material mis-

statement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to these related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we

identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e) On the basis of the written representations re-

ceived from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note XX to the standalone financial statements;
- ii. The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: Thiruvananthapuram  
Date: 26-06-2020

## Annexure A to the Independent Auditors' Report - March 31, 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report the following:

- I.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
  - b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and we are informed that no material discrepancies were noticed on such verification and the same have been dealt with in the books of accounts.
  - c) The title deeds of all the immovable properties (which are included under the Note 2 - 'Property, plant and equipment') are held in the name of the Company except for the land pending transfer (refer note 2.1).
- II. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- III. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company

- IV. The Company has not granted any loans to companies covered in the register maintained under Section 189 of the Act; In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- V. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- VI. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- VII. The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- VIII. According to the information and explanations given to us the Company has no loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company did not have any outstanding loans or borrowings from government during the year.
- IX. The Company the company has made preferential issue of 45 Lakhs number of share warrants in the year 2019-2020 out of which 22.5 Lakhs number of shares of face value Rs. 5/- at a premium of Rs. 42.50/- has been allotted during the year thereby raising Rs. 956.25 Lakhs. Other than this the company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
- X. During the course of our examination of the books and records of the Company, carried out

in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable Ind AS.
- XIV. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures other than as disclosed in clause IX above. In our opinion the company has complied with the requirement of section 42 of the Companies Act 2013.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any noncash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- XVI. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

Palakkad  
26-06-2020



## Annexure B to the Independent Auditor's Report - March 31, 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Rubfila International Limited (RIL) ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Char-

tered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained

is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls

with reference to Standalone Financial Statements Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Cyriac & Associates**  
Chartered Accountants  
Firm No.014033 S

**Jim Cyriac**  
(Partner)

Thiruvananthapuram  
26-06-2020

Mem No. 230039.  
UDIN: 20230039AAAAAB4631

## Standalone Balance Sheet as at 31st March, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>1. Non-current Assets</b>			
Property, plant and equipment	2	9,419.80	6,017.27
Capital work-in-progress	2	6.65	771.54
Other Intangible Asset	2	1.53	3.28
Goodwill	-	-	-
Investment Property	3	128.15	128.15
Financial assets			
Investments	4	3200.14	1,600.14
Loans, Non - current	5	70.11	51.98
Other financial assets	6	157.49	127.20
Other non-Current Asset	7	612.27	603.28
		<b>13,596.14</b>	<b>9,302.84</b>
<b>2. Current assets</b>			
Inventories	8	993.47	904.26
Financial assets			
Trade receivables	9	3,138.19	3,228.51
Cash and cash equivalents	10	268.25	325.67
Bank balance other than cash and cash equivalents	11	29.81	38.08
Loans, Current	12	500.00	1,735.00
Other financial assets	13	441.04	95.52
Current Tax assets (Net)	14	(11.27)	21.16
Other current assets	15	423.35	33.37
		<b>5,782.84</b>	<b>6,381.57</b>
<b>TOTAL</b>		<b>19,378.98</b>	<b>15,684.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
<b>Equity attributable to owners of Parent</b>			
Equity Share Capital	SOCE	2,473.38	2,360.88
Other equity	SOCE	12,872.19	10,845.67
		<b>15,345.57</b>	<b>13,206.55</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings, non- current			
Provisions (non Current)	16	779.52	649.14
Deferred Tax Liabilities (Net)	30	378.82	335.90
Other non-Current Liabilities	17	0.50	0.35
		<b>1,158.84</b>	<b>985.39</b>

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade Payable	18	1,602.32	954.29
Other Financial liabilities	19	928.42	132.16
Other Current liabilities	20	266.15	274.73
Provisions	21	77.68	131.30
		<b>2,874.57</b>	<b>1,492.48</b>
<b>TOTAL</b>		<b>19,378.98</b>	<b>15,684.41</b>

As per our reports attached.

**For CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 014033S

**Jim Cyriac** Partner  
Membership No : 230039;

Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

**Bharat J Patel** Chairman  
DIN01100361

**G.Krishna Kumar** Managing Director  
DIN01450683

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

Place : Palakkad  
Date : 26th June 2020

27<sup>th</sup>  
ANNUAL  
REPORT  
2019-20



**Standalone Statement of Profit and Loss  
for the period ended 31st March, 2020**

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	Standalone	
		31-03-2020	31-03-2019
<b>Revenue from operation</b>			
I Revenue from Operations	22	22,770.61	21,374.21
II Other Income	23	222.55	425.13
<b>III Total Revenue (I+II)</b>		<b>22,993.17</b>	<b>21,799.35</b>
<b>IV Expenses</b>			
a. Cost of materials consumed	24	17,146.37	15,363.10
b. Purchase of Stock in Trade			
c. Changes in inventories of Finished Goods Work-in-Progress and Stock in Trade	25	(114.90)	128.72
d. Employee Benefit Expense	26	1,062.58	998.65
e. Finance Costs		-	-
f. Depreciation and Amortisation Expense	2	341.89	313.47
g. Other Expenses	27	2,559.61	2,476.37
<b>Total Expense</b>		<b>20,995.55</b>	<b>19,280.31</b>
<b>V Profit before share of net profit s of investments accounted for using equity method and tax</b>		<b>1,997.62</b>	<b>2,519.04</b>
<b>VI Share of net profit of associates accounted for using the equity method</b>			
<b>VII Profit before Exceptional Items &amp; Tax (III-IV)</b>		<b>1,997.62</b>	<b>2,519.04</b>
<b>VIII Exceptional Items</b>	28		<b>193.44</b>
<b>IX Profit before Tax (V-VI)</b>		<b>1997.62</b>	<b>2,325.60</b>
<b>X Tax Expense</b>			
(1) Current Tax		450.91	637.83
(2) Prior years excess provision		-	(11.52)
(3) Deferred Tax	29	42.92	(1.90)
<b>Total Tax Expenses</b>		<b>493.84</b>	<b>624.41</b>
<b>XI Profit / (Loss) for the period from Continuing operations (VII-VIII)</b>		<b>1,503.78</b>	<b>1,701.19</b>
<b>XII Other Comprehensive Income</b>			
(a) (i) Items that will not be reclassified to profit or loss (net)	30	<b>9.28</b>	<b>(47.97)</b>
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		-	-
(b) (i) Items that will be reclassified to profit or loss (net)		-	-
(ii) Income tax relating to items that will be reclassified to Profit and Loss		-	-

Particulars	Note No.	Standalone	
		31-03-2020	31-03-2019
<b>XIII Total Comprehensive Income for the period (IX+X) Comprising Profit (Loss) and other comprehensive Income for the Period</b>		<b>1,513.06</b>	<b>1,653.22</b>
<b>XIV Non Controlling Interest</b>			
<b>XV Total Comprehensive income after minority Interest</b>		<b>1513.06</b>	<b>1,653.22</b>
XVI Paid-Up Equity Share Capital (Face Value of Rs.5/-)		2,473.38	2,360.88
XVII Reserve Excluding Revaluation Reserves		2,872.19	10,845.67
<b>XVIII Earnings per share (of Rs. 5/- each):</b>			
Basic In Rs, Ps	31	3.19	3.58
Diluted In Rs, Ps		3.14	3.56
<b>XIX Net Worth</b>		<b>15,345.57</b>	<b>13,206.55</b>

As per our reports attached.

**For CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 014033S

**Jim Cyriac** Partner  
Membership No : 230039;

Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

**Bharat J Patel** Chairman  
DIN01100361  
**G.Krishna Kumar** Managing Director  
DIN01450683

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

Place : Palakkad  
Date : 26th June 2020

**27<sup>th</sup>**  
**ANNUAL  
REPORT  
2019-20**



## Standalone Statement of changes in equity for the year ended 31st March, 2020

### A. EQUITY

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Balance as at 31st March 2019	70000000	3,500.00	70000000	3,500.00
Changes in Authorised Equity Share Capital during the year				
<b>Balance as at 31st March 2020</b>	<b>70000000</b>	<b>3,500.00</b>	<b>70000000</b>	<b>3,500.00</b>
<b>Issued Share Capital</b>				
Balance as at 31st March 2019	47217529	2,360.88	47217529	2,360.88
Changes in Equity share capital during the year	22,50,000	112.50	0	-
<b>Balance as at 31st March 2020</b>	<b>49467529</b>	<b>2,473.38</b>	<b>47217529</b>	<b>2,360.88</b>

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### B. OTHER EQUITY (Standalone)

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Share Application Money	Reserves & Surplus			Other Comprehensive income	Total
		Securities Premium	General Reserves	Retained earnings	Remeasurements of defined Benefit Plans	
Balance at the beginning of the year	-	1,700.00	417.60	8,790.92	(62.95)	10,845.57
Profit/ (Loss) for the year	-	-	-	1,503.78	-	1,503.78
Dividends paid including taxes	-	-	-	(569.25)	-	(569.25)
Transfer to general reserve	-	-	75.64	(75.64)	-	-
Preferential issue of shares	239.06	843.75	-	-	-	1,082.81
Other Comprehensive Income	-	-	-	-	9.28	9.28
<b>Balance as at 31st of March 2020</b>	<b>239.06</b>	<b>2,543.75</b>	<b>493.24</b>	<b>9649.82</b>	<b>(53.67)</b>	<b>12,872.19</b>

Securities Premium represents amounts received in excess of par value on issue of shares.

General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss.

Remeasurements of Defined Benefit Plans Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

As per our reports attached.

For CYRIAC & ASSOCIATES  
Chartered Accountants  
Firm No : 014033S

Jim Cyriac Partner  
Membership No : 230039;  
Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Bharat J Patel  
DIN01100361  
Chairman  
G.Krishna Kumar  
DIN01450683  
Managing Director

N.N. Parameswaran  
Chief Finance Officer & Company Secretary  
Place : Palakkad  
Date : 26th June 2020

## Statement of Audited Standalone Cash Flow Statement for the period ended 31st March, 2020

in ₹ Lakhs

Particulars	For the Period ended 31st March, 2020	For the Period ended 31st March, 2019
<b>A. Cash flow from operating activities</b>		
Net Profit before tax	1997.62	2,325.58
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	341.89	313.47
Finance costs	-	-
Provision for doubtful debts/advances (net)	5.28	7.04
Gain on disposal of property, plant and equipment	(0.19)	103.66
Fair value adjustment of a contingent consideration	-	88.74
Interest income	(184.33)	(398.88)
	162.65	114.03
Operating profit / (Loss) before working capital changes	2,160.27	2,439.61
Work Changes in working capital:		
Increase / (decrease) in Trade and other receivables	549.54	1,895.94
Increase / (decrease) in Inventories	(89.21)	138.24
Increase / (decrease) in Trade, other payables and provisions	1,512.63	(206.40)
<b>Cash generated from operations</b>	<b>4133.23</b>	<b>4,267.39</b>
Income tax (paid) / refunds	(418.48)	(662.07)
<b>Cash from operating activities (A)</b>	<b>3,714.74</b>	<b>3,605.32</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed Property, Plant and equipment	(2,982.94)	(2,657.33)
Proceeds from sale Property, Plant and equipment	0.39	75.30
Investment in unquoted shares	-	-
Acquisition of a subsidiary, net of cash acquired	(1,600.00)	(1,600.14)
Interest received	184.33	398.88
<b>Cash flow from investing activities (B)</b>	<b>(4,398.22)</b>	<b>(3,783.29)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	112.50	712.50
Proceeds from exercise of share options	-	-
Share Application Money received	1,082.81	-
Dividend paid on Equity shares	(569.25)	(545.14)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>626.06</b>	<b>167.36</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(57.42)</b>	<b>(10.61)</b>
Cash and cash equivalents at the beginning of the year	325.67	336.28
<b>Cash and cash equivalents at the end of the year</b>	<b>268.25</b>	<b>325.67</b>

As per our reports attached.

For CYRIAC & ASSOCIATES  
Chartered Accountants  
Firm No : 014033S

Jim Cyriac Partner  
Membership No : 230039;

Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Bharat J Patel  
DIN01100361  
Chairman  
G.Krishna Kumar  
DIN01450683  
Managing Director

N.N. Parameswaran  
Chief Finance Officer & Company Secretary

Place : Palakkad  
Date : 26th June 2020

# Notes to Standalone Financial Statements for the year ended March 31, 2020



## A) General Information

Rubfila International Limited (RIL) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The company is the largest manufacturer of both Talcum Coated and Silicon Coated Heat Resistant Rubber threads in India. It has adopted internationally accepted quality standards and its products are well received among customers both in India as well as around the world.

The standalone financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 26, 2020

During the year, the company has acquired 100% of the shares of M/s Premier Tissues India Limited previously a joint venture company with M/s Ballarpur Industries Ltd.

## B) Basis of preparation of financial statements

### (i) Statement of Compliance

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards (INDAS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

### (ii) Basis of preparation and presentation

The principal accounting policies applied in the preparation of these financial statements are set out in Para C below. These policies have been consistently applied to all the years presented.

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant INDAS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- a) Certain financial assets/liabilities measured at fair value and
- b) Any other item as specifically stated in the accounting policy.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act. The Financial Statement are presented in INR and all values are rounded off to Rupees Lakhs except

share data and per share data unless otherwise stated.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Standalone Statement of Profit and Loss.

The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

### (iii) Use of Estimate and judgment

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if there vision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

#### Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

#### Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For

calculating value in use the company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available.

**Impairment of Financial Assets:**

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward looking information relating to not only the counter party but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

**Defined Benefit Plans:**

The cost of the defined benefit plan and other post employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (refer Note 34)

**C) Summary of Significant Accounting Policies**

**1. Property, Plant and Equipment (PPE)**

For transition to IND AS, the Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date ( 1 April 2016), measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated Cost includes purchase price after

deducting trade discount /rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (if any) and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than 1year and considering the concept of materiality evaluated by management are capitalised and added to the carrying amount of such items. The carrying amount of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

Depreciation on fixed assets is calculated on a



straight-line basis using the rates arrived at based on the useful lives prescribed under the schedule II to the Companies Act, 2013 except for the list of assets mentioned in the following table, where useful life is estimated by the management, which is different as compared to those prescribed under the Schedule II to the Companies Act, 2013.

Block of Assets	Estimated life considered for depreciation	Estimated life as per Schedule 2 of Companies Act, 2013
<b>Building</b>		
- Office	58	60
- Factory	28	30
<b>Plant and Machinery</b>		
- Production Line	18	8
- Factory Equipment	9	8
- Lab Equipment	10	8

Depreciation on fixed assets added/disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate

**2. Intangible Assets**

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Cost of software is capitalized as intangible asset and amortized on a straight-line basis over the economic useful life of three years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of intangible assets are reviewed by the management at each financial year and adjusted prospectively, if appropriate.

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and

attributable borrowing cost, less impairment losses if any.

**3. Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

**4. Investments in subsidiaries**

A subsidiary is an entity that is controlled by the Company. The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS27- Separate Financial Statements.

**5. Impairment Impairment of non - Financial Asset**

The carrying amounts of assets are reviewed at each balance sheet date for if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount the recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation /amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**Impairment of Financial Assets:**

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an esti-

mation on forward looking information relating to not only the counter party but also relating to the industry and the economy as a whole.

The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

#### 6. Inventories

Inventories are valued at the lower of cost and net realisable value item wise. Cost includes indirect cost also. Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- (i) Raw materials: Cost includes cost of purchase net of duties, taxes that are recoverable from the Government and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.
- (ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs if any. Work in progress are valued considering the cost of direct materials only.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value. When Inventories are sold, the carrying amount of those items are recognized as expenses in the period in which the related revenue is recognised.

#### 7. Government Grants, Subsidies and Export incentives

Government Grants and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants / subsidy will be received. Export benefits are accounted on receipt basis only.

#### Advance License

The Company had obtained 3 advance licenses (Previous year 5 Licenses) for duty free import of Raw Materials. Company has met the export obligation in full against the 2 Licences (Previous year 2 Licenses).

#### 8. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that an outflow of resources will not be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability. Contingent assets are not recognized in the books of account. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset

#### 9. Foreign Currency Transactions and Translations

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expens-

es in the year in which they occur. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

#### 10. Share Capital and Share Premium:

Ordinary shares are classified as equity, Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

#### 11. Dividend Distribution to equity shareholders:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity along with any tax thereon.

#### 12. Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the Ind AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 13. Revenue Recognition

The company derives revenues primarily from sale of manufactured goods, traded goods and related services. Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The company has a very low sales ratio to sales and hence no provision for sales return or refund liability is recognized in the accounts for the products expected to be returned. The company does not expect to have any contracts where the period between the transfer of the promised goods or

services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

#### a. Sale of Goods:

Revenue from sale of goods is recognised, when Revenue from the sale of distinct third-party hardware is recognised at the point in time when control is transferred to the customer

#### b. Export benefits/incentives:

Export incentives under various schemes notified by the Government are recognized when confirmation of the right to receive the income is established. Receipts from government by way of Duty Draw Back is recognized only on receipt basis.

#### c. Other incomes:

Other incomes are recognised on accrual basis except when there are significant uncertainties. Interest income is recognised on accrual basis using effective interest rate method.

#### 14. Employee Benefits

##### a. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

##### b. Long Term Employee Benefits:

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued

annually by independent actuary.

**c. Defined Contribution Plans**

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognised as an expense when employees have rendered the service entitling them to the contribution.

**d. Defined Benefit Plans: Gratuity**

The net present value of the obligation for gratuity benefits are determined by actuarial valuation, conducted annually using the projected unit credit method. The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of plan assets. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefits are recognised immediately in Statement of Profit and Loss as past service cost, if any, and net interest on the defined benefit liability/(asset) are recognised in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

**15. Taxation**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

**Current Tax**

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current year is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such

reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**16. Earnings per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic



EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### 17. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current - noncurrent classification of assets and liabilities.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Fair value measurement:

#### 18. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an or-

derly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for transactions in the scope of IND AS 2 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### 19. Financial assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

##### Investments in subsidiaries & joint ventures

Investments in equity shares of subsidiaries and joint venture are carried at cost less impairment. Impairment is provided for on the basis explained in Paragraph (3) of Note C above.

##### Financial assets other than above

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, loans/advances to employee / others, security deposit, claims recoverable etc.

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

##### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss
- Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

##### Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognised in the other comprehensive income (OCI).

##### Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss.

##### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### 20. Financial liabilities

The Company's financial liabilities include trade payable, accrued expenses and other payables.

##### Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss.

##### Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

##### Financial Liabilities at Fair value through profit and loss (FVTPL)

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired..

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset there cognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 21. Inter Corporate Deposits

Company had advanced Inter Corporate loans to companies on short term basis at a specific rate of interest against security. The inter corporate deposit are advanced to the unrelated companies after considering factors such as track record, size of organisation, market reputation and value of the security.

#### 22. Employee Stock option scheme

Rubfila International Limited - Employee Stock Option Scheme 2017 (RUBFILA ESOS 2017) was approved by the members in their meeting held on 15th September, 2017 for granting 1500000 options to the eligible employees of the Company in one or more tranches. The company has received in-principle approval from BSE for the allotment of 1500000 equity shares of Rs.5/- under the above scheme vide its letter dt. 03-07-2018. The list of eligible employees has been approved by the company and the total options to be granted as per the list is 670000 Nos. The date of grant of options is August 1, 2018 which needs to be exercised within one year. Option granted under this RUBFILA ESOS 2017 would vest after One Year but not later than Four Years from the date of grant of such Options.

## 2. Property Plant & Equipment

in ₹ Lakhs

Particulars	Gross block			Accumulated Depreciation			Net Block		
	As at 1st April, 2019	Additions	Disposals	As at 31st March, 2020	As at 1st April, 2019	Depreciation for the year	Eliminated on disposal of Assets	As at 31st March, 2020	As at 31st March, 2019
<b>Tangible Assets</b>									
Land	1202.06	9.66	-	1,211.72	-	-	-	1211.72	1,202.06
Building	1,584.90	1,413.36	-	2,998.26	361.25	57.11	-	2,579.90	1,223.66
Plant & Equipment	8,540.24	2,275.20	-	10,815.43	5,013.32	264.10	-	5,538.01	3,526.92
Furniture & Fixtures	34.72	6.37	-	41.09	26.09	1.65	-	13.35	8.63
Vehicles	66.09	15.91	3.65	78.35	27.98	7.32	3.47	46.52	38.11
Office Equipment	36.32	12.61	-	48.93	24.78	4.41	-	19.74	11.54
Computer & Accessories	65.15	8.43	0.38	73.20	58.78	4.23	0.37	10.56	6.37
<b>Total</b>	<b>11,529.47</b>	<b>3,741.54</b>	<b>4.03</b>	<b>15,266.98</b>	<b>5,512.20</b>	<b>338.82</b>	<b>3.84</b>	<b>9,419.80</b>	<b>6,017.27</b>
<b>Capital Work in Progress</b>									
	9,845.11	1,828.03	143.67	11,529.47	5,325.96	312.30	126.06	6,017.27	4,519.15
	<b>771.54</b>	<b>2,732.70</b>	<b>3,497.59</b>	<b>6.65</b>	-	-	-	<b>6.65</b>	<b>771.54</b>
	319.42	808.94	356.82	771.54				771.54	319.42
<b>Intangible Assets</b>									
Computer Software	12.61	1.34	-	13.95	9.33	3.09	-	1.53	3.28
<b>Total</b>	<b>12.61</b>	<b>1.34</b>	<b>-</b>	<b>13.95</b>	<b>9.33</b>	<b>3.09</b>	<b>-</b>	<b>1.53</b>	<b>3.28</b>
	10.25	2.36	-	12.61	8.16	1.17	-	3.28	2.09

2.1 18.76 acres of land lying contiguously with total extent of 87.40 Acres of land acquired in Udumelpet is not registered in the name of the company due to delay in submission of exemption certificate issued under The Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 by the transferee before the revenue authorities. The possession and ownership of the property has already been transferred to the company from the date of execution of the sale certificate under The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI Act).

## Depreciation & Amortization

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Depreciation	338.82	312.30
Amortization	3.09	1.17-
<b>Total</b>	<b>341.91</b>	<b>313.47</b>

## 3. INVESTMENT PROPERTY

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Free hold Land		
11.87 Acres in Coimbatore District, Pollachi Taluk, Tamilnadu	128.15	128.15
<b>Total</b>	<b>128.15</b>	<b>128.15</b>

The cost of the land has been considered as the fair value of the property and as per the value determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued it is confirmed that there is no impairment losses during the current year (March 31, 2019 - Nil).

## 4. INVESTMENT

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>		
<b>M/s Premier Tissues India Ltd.</b>		
1,12,40,854 unquoted and non traded Equity Shares of face value Rs. 10/- each (Previous year 56,20,427 unquoted and non traded equity shares face value Rs. 10/- each fully paid up Percentage of interest	3200.14	1600.14
	100%	50%

4.1 The stake of M/s. Ballarpur Industries Ltd in M/s. Premier Tissues India Ltd (50%), an Associate Company, have been acquired by M/s, Finquet Financial Solutions Pvt. Ltd and later on transferred in the name of Mr. Ruchit B. Patel, one of the Promoters of M/s. Rubfila International Ltd. Consequent to the above, M/s. Rubfila International Ltd have controlling interest in M/s. Premier Tissues India Ltd; and, accordingly it has become a Subsidiary of M/s. Rubfila International Ltd effective from 13-09-2019 in terms of Section 2 (87) (1) of the Companies Act, 2013. The transfer for the shares from Mr. Ruchit Patel has been effected on the 28 March 2020 and the amount payable as on March 31, 2020 amounts to Rs. 775 Lakhs. The delay in settlement of the liability is due to the national wide Covid-19 lock down and was subsequently settled on 23-04-2020.

## 5. LOANS (Non Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, considered Good</b>		
Security Deposits with various authorities	70.11	51.98
<b>Total</b>	<b>70.11</b>	<b>51.98</b>

\*There is no amount due from director, other officer of the Company of firms in which any director is a partner of private companies in which any director is a director or member at anytime during the reporting period.

## 6. OTHER FINANCIAL ASSETS (Non Current) (at amortised Cost)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Earmarked Balance with Banks</b>		
Bank Guarantee	33.88	33.12
Unpaid Dividend Accounts	123.61	94.08
<b>Total</b>	<b>157.49</b>	<b>127.20</b>

\*There is no amount due from director, other officer of the Company of firms in which any director is a partner of private companies in which any director is a director or member at anytime during the reporting period.

## 7. OTHER NON CURRENT ASSETS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advance to suppliers	224.11	215.13
Vat Credit Receivable*	386.08	386.07
Income Tax refund receivable	2.08	2.08
<b>Total</b>	<b>612.27</b>	<b>603.28</b>

\*Rs. 173.42 Lakhs in VAT credit receivable pertains to the credit receivable from Tripura which is fully provided for in the books.

## 8. INVENTORIES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Raw Materials	388.12	482.09
(b) Work in Progress	158.10	146.61
(c) Stores & Spares	202.91	146.12
(d) Finished Goods (other than those acquired for trading)	244.34	129.44
<b>Total</b>	<b>993.47</b>	<b>904.26</b>

## 9. TRADE RECEIVABLES (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables outstanding more than one year		
Unsecured, Considered Good	3,138.19	3,228.51
Unsecured, Considered Doubtful	29.14	27.03
	3,167.33	3,255.54
Less Impairment Provision on Expected Credit Loss Model	29.14	27.03
<b>Total</b>	<b>3,138.19</b>	<b>3,228.51</b>
Receivable from related parties	14.29	
Others	3,153.04	3,255.54
<b>Total</b>	<b>3,167.33</b>	<b>3,255.54</b>

Movement in the expected credit loss allowance	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	27.03	22.68
Less : balances written off during the year	3.17	2.68
Add : provision made during the year	5.28	7.04
Balance at the end of the year	29.14	27.03

## 10. CASH & CASH EQUIVALENTS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	9.63	1.13
(b) Balances with banks		
- In Current Accounts	258.62	284.43
- In short term deposits	-	40.11
<b>Total</b>	<b>268.25</b>	<b>325.67</b>

\*Cash and cash equivalents as per Standalone Statement of Cash Flows is the same amounts stated above

## 11. BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(b) Balances with banks		
- Deposit Accounts - Unpaid Dividend - FY.18-19	29.81	38.08
<b>Total</b>	<b>29.81</b>	<b>38.08</b>

## 12. LOANS (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Inter Corporate Deposits		
Unsecured, Considered Good	500.00	1,735.00
<b>Total</b>	<b>500.00</b>	<b>1,735.00</b>

As at 31 March 2020 the company has intercorporate advances to the tune of Rs. 500 Lakhs (previous year Rs. 1,735 Lakhs) of which interest is not being serviced by one of the companies named M/s Raveena Hotels Private Limited to whom Rs. 50 Lakhs is advanced. As per the assessment of the management the amount is fully recoverable and the company has approached the National Company Law Tribunal for legal action.

## 13. OTHER FINANCIAL ASSETS (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Accrued on inter Corporate Deposits	31.70	35.42
Other Deposit	16.60	0.10
Other Current Asset - udumelpet equipments	392.74	60.00
<b>Total</b>	<b>441.04</b>	<b>95.52</b>

## 14. CURRENT TAX LIABILITIES (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Taxation	(11.27)	21.16
<b>Total</b>	<b>(11.27)</b>	<b>21.16</b>

## 15. OTHER CURRENT ASSETS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
GST Tax Credit Receivable	389.26	10.81
Advance to Creditors	9.66	2.50
Advances to Employees	0.34	0.09
Prepaid Expense (Unsecured, Considered good)	24.09	19.97
<b>Total</b>	<b>423.35</b>	<b>33.37</b>

## 16. PROVISIONS (Non Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for Contingent Liabilities</b>		
Provision for Tripura VAT	173.42	173.42
Provision for unknown liabilities*	524.00	404.00
	<b>697.42</b>	<b>577.42</b>
<b>Other Provisions :</b>		
Sales Tax Differential Payable	3.17	2.69
Leave Encashment Liability	78.94	69.04
<b>Total</b>	<b>779.52</b>	<b>649.14</b>

16.1 \*Due to the numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the prevision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The company regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, may change its estimates significantly. However, no estimate of the range of any such change can be made at this time. Further the company has a pending litigation of Duty Draw Back for an amount of Rs. Rs. 391.73 Lakhs (excluding interest) pertaining to the financial years 2001-2003 which is pending before the Tribunal awaiting a decision of the Apex court in a similar case. The company has prudently set aside an amount irrespective of the possible outcome.

## 17. OTHER NON CURRENT LIABILITIES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other advances received	0.50	0.35
<b>Total</b>	<b>0.50</b>	<b>0.35</b>

## 18. TRADE PAYABLE (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables	1,602.32	954.29
<b>Total</b>	<b>1,602.32</b>	<b>954.29</b>

## 19. OTHER FINANCIAL LIABILITIES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unpaid Dividend	153.42	132.16
Amount payable on purchase of Investments (refer note no 4.1)	775.00	-
<b>Total</b>	<b>928.42</b>	<b>132.16</b>

## 20. OTHER CURRENT LIABILITIES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues Payable	102.73	137.12
Advances received from customers	57.26	40.34
Provision for Expenses	104.67	91.12
Other payables	1.49	6.15
<b>Total</b>	<b>266.15</b>	<b>274.73</b>

## 21. PROVISIONS (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provisions for Employee Benefits</b>		
Provision for Salary Arrears, Bonus & Production Incentive	54.91	49.23
Provision for Leave encashment	10.76	19.12
Terminal benefit Liability (Gratuity Benefit)	12.01	62.95
<b>Total</b>	<b>77.68</b>	<b>131.30</b>

## 22. REVENUE FROM OPERATIONS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Sale of Products	22,579.92	21,201.12
(b) Other Operating Revenues	190.69	173.09
<b>Total</b>	<b>22,770.61</b>	<b>21,374.21</b>

Particulars	As at 31st March, 2020	As at 31st March, 2019
Sale of Products		
Manufactured Goods	22,579.92	21,201.12
<b>Total</b>	<b>22,579.92</b>	<b>21,201.12</b>

## 23. OTHER INCOME

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Income		
On deposits with banks and other balances carried at amortised cost	9.02	20.98
On Intercompany Deposits	175.31	377.90
(b) Net (gain)/ loss on foreign currency transactions and translations (Considered as Finance Cost)	37.82	23.53
Miscellaneous Income	0.21	2.72
Profit on sale of fixed asset	0.19	-
<b>Total</b>	<b>222.55</b>	<b>425.13</b>

## 24. COST OF MATERIALS CONSUMED

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Stock	595.69	632.41
Add Purchases	17,061.77	15,326.38
Less: closing Stock	511.09	595.69
<b>Cost of materials consumed</b>	<b>17,146.37</b>	<b>15,363.10</b>
Material consumed comprises :		
Latex/ Chemicals/ Packing Materials	17,146.37	15,363.10
<b>Total</b>	<b>17,146.37</b>	<b>15,363.10</b>

## 25. CHANGES IN INVENTORIES IN FINISHED GOODS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Closing Stock</b>		
Finished Goods	244.34	129.44
<b>Opening Stock</b>		
Finished Goods	129.44	258.16
<b>Total (ii) - (i)</b>	<b>(114.90)</b>	<b>128.72</b>

## 26. EMPLOYEE BENEFIT EXPENSE

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Salaries & Wages	941.25	858.38
Contributions to Provident and other funds	79.84	99.99
Staff Welfare Expense	41.49	40.28
<b>Total</b>	<b>1,062.58</b>	<b>998.65</b>

## 27. OTHER EXPENSES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Packing Material	394.73	371.69
Power & Fuel	1,113.95	1,080.96
Effluent Treatment Expense	225.35	203.98
Bank Charges & Commissions	9.83	8.51
Repairs & Maintenance	-	-
Building	51.92	67.01
Machinery	28.93	44.50
Others	73.39	122.64
Insurance	26.81	19.06
Rent, Rates & Taxes	60.12	39.43
Communication	8.06	9.24
Traveling & Conveyance	61.94	50.84
Printing & Stationery	7.73	5.09
Freight & Forwarding	134.06	82.31
Sales Commission	5.92	4.18
Sales Discount	12.73	14.41
Business Promotions	3.58	1.80
Donations & Contributions	2.13	3.35
CSR Expenses	41.10	45.53
Legal & Professional	39.06	59.32
Payment to Auditors	-	-
For Statutory audit	3.00	3.00
For Cost Audit	0.50	0.50
Reimbursement of Expenses	0.11	0.11
Secretarial Expense	-	-
AGM & EGM Expense	1.84	0.57
List up Fee	4.49	6.00
Share Transfer Charges	3.16	6.06
Directors Sitting Fee	7.90	7.95
Dividend Distribution	2.84	2.90
Security Charges	49.60	27.09
Provision for Bad and Doubtful Debts	5.28	7.04
Less: Bad Debts provided in the Previous year recovered	(3.25)	(5.57)
Provision for unknown Liabilities	120.00	120.00
Miscellaneous Expenses	62.80	56.71
Loss on derecognition of PPE	-	10.16
<b>Total</b>	<b>2,559.61</b>	<b>2,476.37</b>

## 28. EXCEPTIONAL ITEMS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loss on Contract (Abhisar Buildwell Pvt Ltd)*	-	88.74
Loss on Sale of Old Machineries**	-	104.70
<b>Total</b>	<b>-</b>	<b>193.44</b>

## 29. DEFERRED TAX LIABILITY (Net)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Deferred Tax Liability</b>	<b>589.80</b>	<b>538.31</b>
Arising on account of difference in carrying amount and tax base of PPE and intangibles	589.80	538.31
<b>Deferred Tax Asset</b>	<b>210.98</b>	<b>202.41</b>
Leave Encashment Liability	23.99	25.67
Provision for Gratuity	-	-
Provision for Doubtful debts	7.47	7.81
Sales Tax Liability	0.81	0.78
Provision for Contingent Liability	178.72	168.15
<b>Net deferred tax (liability)/ Asset</b>	<b>(378.82)</b>	<b>(335.90)</b>
<b>Deferred tax expense/ (Income)</b>	<b>42.92</b>	<b>(1.90)</b>

## 30. EXCEPTIONAL ITEMS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) (i) Items that will not be reclassified to profit or loss (net) Actuarial Gain/ Loss of defined Employee benefit plan	9.28	(47.97)
Share of OCI of joint venture accounted for using the equity method	-	-
(ii) Income tax relating to items that will not be reclassified to Profit & Loss	-	-
(b) (i) Items that will be reclassified to profit or loss (net)	-	-
(ii) Income tax relating to items that will be reclassified to Profit	-	-
<b>Total</b>	<b>9.28</b>	<b>(47.97)</b>

## 31. EARNING PER SHARE

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Earnings per Share of ₹ 5 each</b>	<b>-</b>	<b>88.74</b>
Net Profit for the year ₹ in Lakhs	1,513.06	1,653.20
<b>Basic Earning per share</b>		
Weighted Average No. of Equity shares	4,74,14,789	4,61,49,036
Basic EPS in Rs. Ps.	3.19	3.58
<b>Diluted Earning per share</b>		
Weighted Average No. of Equity shares	4,81,48,825.02	4,64,73,693
Diluted EPS in Rs. Ps.	3.14	3.56

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 share warrants for the respective period.

## 32. CORPORATE SOCIAL RESPONSIBILITY

in ₹ Lakhs

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) Activities. A CSR Committee has been formed by the Company as per the Act. The funds were primarily allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross amount required to be spent	50.10	43.35
Amount spend during the year	41.10	45.53
Amount unspent during the year	9.00	-

## 33. DISCLOSURES REQUIRED UNDER IND AS 19 - "EMPLOYEE BENEFITS PLAN"

The company has contributed for Provident fund and superannuation fund as defined contribution plans. The actuary has provided a valuation of Gratuity liability and leave encashment liability in terms of the definition mentioned in para 7 of IND AS - 19 the accounting based on the assumptions listed below and determined that there is no shortfall as at 31st March, 2020 and for the year ended 31st March 2019.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are: Projection is restricted to five years or earlier, if retirement occurs.

Expected guaranteed interest rate - 0.01% (Previous Year - 7.76%)

Discount rate - 6.87% (Previous Year - 7.76%).

### 33.1. During the year, the company has recognised the following amounts in the statement of Profit and Loss

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Employer's contribution to Provident Fund and family Pension Fund	62.31	53.77
Employer's contribution to Superannuation Fund	3.78	3.94
Gratuity - funded	11.52	29.70
Leave Encashment - Unfunded	44.06	19.12

**33.2 The valuation result for the defined benefit gratuity plan as at 31-03-2020 are produced in the tables below :**

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1. Assumption</b>		
Discount Rate	6.87%	7.76%
Salary Escalation	7.00%	7.00%
Attrition Rate	3.00%	3.00%
<b>2. Table showing changes in the present value of obligation</b>		
Present value of obligation as at the beginning of the year	362.92	276.18
Interest Cost	27.86	21.96
Current Service Cost	26.71	20.12
Benefits paid	(7.90)	(3.31)
Actuarial (gain) / Loss on obligation	33.12	47.97
Present value of obligation as at the end of the year	442.71	362.92
<b>3. Table showing changes in Fair value of Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	323.43	259.37
Expected return of Plan assets	27.97	22.43
Contributions	82.00	45.35
Benefits paid	(7.90)	(3.31)
Actuarial (gain) / Loss on Plan assets	5.20	(0.42)
Fair value of Plan assets at the end of the year	430.70	323.42
<b>4. Table showing Fair value of Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	323.43	259.37
Actual return on Plan Assets	27.97	22.43
Contributions	82.00	45.35
Benefits paid	(7.90)	(3.31)
Actuarial (gain) / Loss on Plan assets	5.20	(0.42)
Fair value of Plan assets at the end of the year	430.70	323.42
Funded Status	0.12	0.46
Excess of Actual over estimated return on plan assets	-	-
(Actual rate of return = Estimated rate of return as ARD falls on 31st March	-	-
<b>5. Actuarial (Gain) Loss recognised</b>		
Actuarial (gain) loss on obligations	33.12	47.97
Actuarial (gain) / Loss on Plan assets	(5.20)	0.42
Total Actuarial (gain) / loss for the year	27.92	48.39
<b>6. The amounts to be recognised in the Balance Sheet and Statements of Profit /Loss</b>		
Present value of Obligation at the end of the year	442.71	362.92
Fair value of Plan assets at the end of the year	430.70	323.42
Funded Status	0.12	0.46
Net Asset / (Liability) recognised in the Balance Sheet	0.12	0.46
<b>7. Expenses recognised in the statement of Profit &amp; Loss</b>		
Current Service Cost	26.71	20.12
Interest Cost	27.86	21.96
Expected return on Plan assets	27.97	22.43
Net Actuarial (gain)/ Loss recognised in the year	27.92	48.39
Expenses recognised in the Statement of Profit & Loss	54.52	68.04

**33.3 The valuation result for the unfunded leave Encashment as at 31-03-2020 are produced in the tables below :**

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1. Assumption</b>		
Discount Rate	6.87%	7.76%
Salary Escalation	7.00%	7.00%
Attrition Rate	3.00%	3.00%
Proportion of Leave Availment	5.00%	5.00%
Proportion of encashment on separation	95.00%	95.00%
<b>2. Table showing changes in the present value of obligation</b>		
Present value of obligation as at the beginning of the year	90.00	-
Interest Cost	6.98	90.00
Current Service Cost	29.92	-
Benefits paid	-	-
Actuarial (gain) / Loss on obligation	(37.20)	-
Present value of Obligation as at the end of the year	89.70	90.00
<b>3. The amounts to be recognised in the Balance Sheet and Statements of Profit /Loss</b>		
Present value of Obligation at the end of the year	(90.00)	90.00
Fair Value of Plan assets at the end of the year	-	-
Funded Status	0.29	-
Net Asset / (Liability) recognised in the Balance Sheet	(89.71)	(90.00)
<b>4. Expenses recognised in the statement of Profit &amp; Loss</b>		
Current Service Cost	29.92	90.00
Interest Cost	6.98	-
Expected Return on plan assets	-	-
Net Actuarial (gain) / Loss recognised in the year	-	-
Expenses recognised in the Statement of Profit & Loss	(0.29)	90.00

**34. SEGMENT INFORMATION**

The Company is engaged in the manufacture and the sale of products which form part of one product group which represents one operating segment, as the Chief Operating Decision Maker (CODM), reviews business performance at an overall company level. Entity - wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

The Company has only primary segment namely Manufacture and sale of Latex Rubber Thread in the current year. With the venture of the Company into paper manufacturing the value of assets amounting to Rs. 1030 Lakhs recorded in land and capital working progress amounts pertains to the paper manufacturing segment. On the basis of Geographical revenues, allocated based on the location of the customer. Geographic segment of the Company is disclosed as follows: Revenue outside India, i.e. Sales in Export Market and Revenue with in India, i.e. Sales in Domestic Market.

The Geographic segment individually contributing to the company's revenue and segment assets are as follows:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Assets	Revenues	Assets	Revenues
<b>Outside India</b>				
Asia	58.74	1,700.69	228.46	1,766.10
Europe	-	190.90	-	96.17
Africa			-	22.60
America	80.20	551.60	30.99	76.11
<b>Within India</b>	2,999.25	20,136.73	2,969.06	19,240.14
<b>Total</b>	<b>3,138.19</b>	<b>22,579.92</b>	<b>3,228.51</b>	<b>21,201.12</b>

### 35. RELATED PARTY DISCLOSURE

In accordance with the requirement of Ind AS - 24 on "Related Party Disclosures" the names of the related parties where control exists/able to exercise significant influence along with the aggregate transactions/year end balance with them as identified and certified by

a	Names of related parties and nature of relationship where control exists are as under :	M/s Premier Tissues India Limited Joint Venture Company (till 12-09-2019)
	Subsidiary company (from 13-09-2019)	M/s Premier Tissues India Limited
b	Names of other related parties and nature of relationship Key Management Personnels	Mr. Gopinathan Pillai Krishnakumar Managing Director Mr. Nurani Neelakantan Parameswaran CFO & CS
c	Companies in which Directors are interested:	M/s Moneybee Securities Pvt. Limited
d	Promoter Group	Mr. Ruchit Bharat Patel

#### 35.1 Transactions with related parties

Related Party	Nature of Transaction	2019-2020	2018-2019
M/s Premier Tissues India Limited	Sale of Materials	24.28	2.39
	Purchase of Materials	1.67	0.88
Mr. Gopinathan Pillai Krishnakumar	Compensation for services	81.38	78.38
Mr. Nurani Neelakantan Parameswaran	Compensation for services	53.22	53.49
M/s Moneybee Securities Pvt. Limited	Consultancy Expenses	8.00	-
Mr. Ruchit Bharat Patel	Purchase of Investments	1,600.00	-

#### 35.2 Outstanding Balances

	As at 31 March, 2020	As at 31 March, 2019
M/s Premier Tissues India Limited	14.12	1.51
Mr. Ruchit Bharat Patel	775.00	-

### 36. DETAILS OF PROVISION FOR CONTINGENT LIABILITY

Movement in provisions as required by IND AS - 37 - "Provisions, Contingent Liabilities and Contingent Asset".

Particulars	As at 31st March, 2019	Additions	Reversal	As at 31st March, 2020
	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs
Provision for Expenses - Tripura VAT	173.42	-	-	173.42
	<i>173.42</i>	-	-	<i>173.42</i>
Provision for Unforeseen Liabilities	404.00	120.00	-	524.00
	<i>284.00</i>	<i>120.00</i>	-	<i>404.00</i>
<b>Total</b>	<b>577.42</b>	<b>120.00</b>	<b>-</b>	<b>697.00</b>
	<i>457.42</i>	<i>120.00</i>	-	<i>577.42</i>

Note :- Figures in Italics relates to Previous year

### 37. CONTINGENT LIABILITY & COMMITMENTS (to the extent not provided for)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Claim against the Company not Acknowledgment as debt: Duty Draw back	391.73	391.73
(b) Intercorporate deposits pending settlement Raveena Hotels Private Limited	50.00	-
<b>Total</b>	<b>441.73</b>	<b>391.73</b>

37.1 The company has the following pending litigations in various courts and which in its opinion has no impact on its financial position in the financial statements as on 31 March 2018

No.	For / Against the company	Date of admission	Status
For the company			
1	Kerala State Electricity Board Ltd (Financial impact-Rs.65.57 Lacs)	2018-2019	Appeal decided in favour of the company by Hnbl High Court of Kerala
2	Raveena Hotels Private Limited (Financial impact - Rs. 50 Lacs)	2018-2019	Pending for hearing in NCLT
Against the company			
1	Commissioner of Customs, Coimbatore (Financial Impact - Rs. 391.73 Lacs)	2008-09	Tribunal issued orders remanding the case back to the original authority, and to await the Supreme Court decision in a similar case.
2	Bank of Tokyo, Mumbai (Financial Impact - Rs. 9.67 Lacs)	2004-2005	Pending for hearing in Hnbl High Court of Kerala

### 39. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximise the share holders' value. The Company's overall strategy remains unchanged from previous year. The Company sets the amounts of capital required on the basis of annual business and long term operating plans.

### 40. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purpose nor does it write options. The most significant financial risk to which the coy is exposed are described below:-

The Company has assessed market risk, credit risk and liquidity risk to its financial instruments.

#### 1. Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, Primarily include Loans & borrowings, Investments and foreign currency receivables, Payables and borrowings.

**1a Interest Rate Risk**

The company has not availed any loans hence it is not exposed to any interest rate risk.

**1b Currency Risk :**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase of materials from abroad and realization on export sales: The impact on the companies profit before tax due to change in interest rate is given below:

Unhedged short term exposures

	As at 31st March, 2020 in ₹ Lakhs	As at 31st March, 2019 in ₹ Lakhs
Financial assets	113.32	244.99
Financial Liabilities	(0.28)	(2.28)

The Company is mainly exposed to changes in US Dollar. The sensitivity to a 2% increase or decrease in US Dollar against INR with all other variables held constant will be +/- Rs. 2.26 Lakhs (Previous year Rs. 4.85 Lakhs) The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date. The Company has not entered into any forward contracts or foreign currency hedges to mitigate the risk. As the amount involved is not material the foreign currency risk involved is minimal.

**1c. Price Risk**

The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities like latex, acetic acid and other chemicals, the Company closely monitors the price fluctuations to reap the price advantages.

The Company's investments in unquoted securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The company manages the securities price risk through investments in debt funds / intercorporate deposits and by placing limits on individual and total investments.

**1d Equity Risk**

There is no equity risk relating to the company's equity investments which are detailed in note 4 "Other investments". The Company's equity investments majority comprises of strategic investments rather than trading purposes.

**2. Credit Risk**

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the company. The company is exposed to credit risk for receivable, cash and cash equivalents and short term loans.

**Cash and cash equivalents and short-term Loans (Loans current)**

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has been transacting for years. The Company has made several intercorporate loans on security with unrelated Companies considering factors such as track record, size of organisation, market reputation and value of the security. The risk is mitigated by the securities and guarantees provided by the companies. Therefore, the company does not expect any material risk except for the ones mentioned in Note 38.1 on account of non-performance by any of the companies to which the loans are given.

**Trade Receivables**

The company is exposed to credit risk from its operating activities primarily from trade receivable amounting to Rs.3167.33 Lakhs and Rs. 3255.54 Lakhs as of 31 March 2020 and 31 March 2019 respectively. The company has standard operating procedure for obtaining sufficient security where appropriate, as a means of mitigating the risk of financial loss from defaults. No customers accounted for 10% or more of revenue during the reporting

periods covered. The credit quality of the company's customers is monitored on an on going basis and assessed for impairment where indicators of such impairment exist. The history of trade receivables shows a negligible provision for bad and doubtful debts. The solvency of customers and their ability to repay the receivable is considered in assessing receivables for impairment. Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counter parties. Where receivables are impaired, the Company actively seeks to recover the amounts in question and enforce the compliance with credit terms.

	As at 31st March, 2020 in ₹ Lakhs	As at 31st March, 2019 in ₹ Lakhs
Balance at the beginning of the year	27.03	22.68
Impairment loss recognised	5.28	7.04
Impairment loss reversed	3.17	2.68
Balance at the end of the year	29.14	27.03

**3 Liquidity Risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term and long-term funding and liquidity management requirements. the Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company requires funds both for short-term operational needs as well as for long-terms growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term. The Company has a current ratio of 2.02 as on 31 March 2020 (Previous year 4.26). The capital requirements for the expansion plans in Udumelpet for the year is Rs. 800 Lakhs (Rs. 2300 Lakhs for the Rubber division) and even with that the company expects a minimal liquidity risk.

**4 Interest Rate Risk**

The Company is a zero-debt company as on 31st March 2020 (Previous year Rs. Nil) and is not exposed to any interest rate risk of shortterm or longterm borrowings. There are no foreign currency borrowings made by the company during the reporting periods. The impact on the Companies profit before tax due to change in interest rate is Nil at the close of this financial year.

**5 Other Risk**

Financial assets as at March 31 2020 is Rs. 7805.03 lakhs. Financial assets of rs. 298.06 lakhs as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of rs. 3138.19 laksh as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition tot he historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers in respect of whom amounts are receivable. The company is in the process of evaluating the potential impact with respect to customers in Domestic Formulation segment which could have an immediate impact. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Based on the initial assessment, the company do not expect and abnormal credit loss through supplying to an unorganised sector the allowance for doubtful trade receivables of Rs. 29.14 lakhs as at March 31, 2020 is considered adequate.

**40. EVENTS AFTER THE REPORTING PERIOD**

The proposed final dividend for Financial Year 2019-20 amounting to Rs. 593.61 Lakhs will be recognised as distribution to owners during the financial year 2020-21 on its approval by Shareholders. The proposed final dividend per share amounts to Rs. 1.20/-

#### 41. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Accounts, net of advances and not provided for Rs. 800 Lakhs (Previous Year - 2300 Lakhs).

#### 42. FAIR VALUE MEASUREMENTS

##### (i) Financial Instruments by category

The carrying value and fair value of financial instruments by categories are as follows:

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payable and other financial liabilities approximate the carrying amount largely due to short term maturity of this instruments.

##### (ii) Fair value of financial assets and liabilities measured at amortized cost

The management assessed that for amortized cost instruments, fair value approximate largely to the carrying amount. The management assessed that the fair value of Investment property and value of unquoted shares in Joint Venture and the carrying amount of the property has not varied materially during the period.

- 43 The Company has not made any contribution to electoral trusts in the current year and previous year.
- 44 The Ministry of Home Affairs vide order No. 40-3/2020 dated March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of COVID-10. The operations were disrupted at certain manufacturing facilities and depots of the Company, as a result of which goods worth Rs. 162.47 lakhs could not be dispatched to the domestic market.
- 45 The MCA wide notification dated October 11, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.

As per our reports attached.

**For CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 014033S

Jim Cyriac Partner  
Membership No : 230039;

Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

**Bharat J Patel**  
DIN01100361  
Chairman

**G.Krishna Kumar**  
DIN01450683  
Managing Director

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

Place : Palakkad  
Date : 26th June 2020

# Consolidated Financial Statement

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# INDEPENDENT AUDITORS' REPORT

To the members of Rubfila International Limited

## Report on the Audit of the Consolidated Financial Statements Opinion

We have audited the consolidated financial statements of Rubfila International Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"). In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of a subsidiary, as it was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are

further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Considering the materiality of the amounts involved, the significant management judgement required in estimating the quantum of diminution in the value of investment and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit.

### Duty Draw Back

The assessment of the duty drawback claimed for the financial years 2001-2003 by the Commissioner of Customs has issued an order for recovery of Duty Drawback awarded amounting to Rs. 391.73 Lakhs (previous year Rs. 391.73 Lakhs) in 2008-09 and the case is pending before the Tribunal. Refer note -XX

As per the assessment of the management no provisioning is required for year considering the merits of the case and the legal stand taken by the company

Considering the materiality of the amounts involved, the significant management judgement required in estimating the quantum of diminution in the value of investment and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit.

### Our procedures included, but were not limited to the following:

Obtained an understanding of management's stand on the submissions filed with various appellate authorities and has considered the rulings of various courts in similar cases to determine the possible result of the case.

Obtained an opinion from expert on the possible outcome of the pending litigation in respect of the financial impact of the various outcomes.

Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Director's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with

the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the

financial reporting process of each company.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements of Premier Tissues India Limited, a joint venture company till September 12, 2019 and a subsidiary of the Holding Company from September 13, 2019 onwards whose financial statements reflect total assets of Rs.2,695.02 Lakhs as at March 31, 2020, total revenues of Rs. 3,281.59 Lakhs and net cash outflows amounting to Rs.3.75 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These standalone financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial state-

ments, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

#### Report on Other Legal and Regulatory Requirements

A. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and other financial information of the subsidiary and joint ventures, we report, to the extent applicable, that:

Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2020 from be-



ing appointed as a director in terms of Section 164(2) of the Act;

- f) And With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of a subsidiary, as noted in the 'Other Matters' paragraph:

- I. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group. Refer Note XX to the consolidated financial statements;
- II. The Group did not have any long-term contracts for which there were any material foreseeable losses.
- III. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020; and
- IV. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: Thiruvananthapuram  
Date: 26-06-2020

## Annexure A to the Independent Auditors' Report - March 31, 2020

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

### (REFERRED TO IN PARAGRAPH (A)(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

#### Opinion

In conjunction with our audit of the consolidated financial statements of Rubfila International Limited ("the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, as of that date. In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Con-

trols Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained

is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Holding company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company's internal financial control reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding company are being made only in accordance with authorisations of management and directors of the Holding company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Cyriac & Associates  
Chartered Accountants  
Firm No.014033 S

Jim Cyriac  
(Partner)

Thiruvananthapuram  
26-06-2020

Mem No. 230039.  
UDIN: 20230039AAAAAB4631

27<sup>th</sup>  
ANNUAL  
REPORT  
2019-20

## Consolidated Balance Sheet as at 31st March, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>1. Non-current Assets</b>			
Property, plant and equipment	2	11,986.38	6,017.27
Capital work-in-progress	2	22.88	771.54
Other Intangible Asset	2	9.94	3.28
Investment Property	3	128.15	128.15
Goodwill	4	32.76	-
Financial assets			
Investments	5	-	1,668.38
Loans, Non - current	6	148.23	51.98
Other financial assets	7	157.49	127.20
Other non-Current Asset	8	637.94	603.28
		<b>13,123.77</b>	<b>9,371.08</b>
<b>2. Current assets</b>			
Inventories	9	1,631.86	904.26
Financial assets			
Trade receivables	10	3,409.58	3,228.51
Cash and cash equivalents	11	331.63	325.67
Bank balance other than cash and cash equivalents	12	151.38	38.08
Loans, Current	13	1,250.00	1,735.00
Other financial assets	14	441.04	95.52
Current Tax assets (Net)	15	-13.80	21.16
Other current assets	16	588.62	33.37
		<b>7,790.31</b>	<b>6,381.57</b>
<b>TOTAL</b>		<b>20,914.08</b>	<b>15,752.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
<b>Equity attributable to owners of Parent</b>			
Equity Share Capital	SOCE	2,473.38	2,360.88
Other equity (Reserves & Surplus)	SOCE	12,992.82	10,913.91
Capital Reserve			
		<b>15,466.20</b>	<b>13,274.79</b>
<b>2. Non-current liabilities</b>			
<b>3. Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other Financial Liabilities	17	65.70	-
Provisions (non Current)	18	835.06	649.14
Deferred Tax Liabilities (Net)	31	738.53	335.90
Other non-Current Liabilities	19	0.50	0.35
		<b>1,639.79</b>	<b>985.39</b>

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade Payable	20	2,227.48	954.29
Other Financial liabilities	21	928.42	132.16
Other Current liabilities	22	557.35	274.73
Provisions	23	94.84	131.30
		<b>3,808.09</b>	<b>1,492.48</b>
<b>TOTAL</b>		<b>20,914.08</b>	<b>15,752.65</b>

As per our reports attached.

**For CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 014033S

**Jim Cyriac** Partner  
Membership No : 230039;

Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

**Bharat J Patel** Chairman  
DIN01100361

**G.Krishna Kumar** Managing Director  
DIN01450683

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

Place : Palakkad  
Date : 26th June 2020

27<sup>th</sup>  
ANNUAL  
REPORT  
2019-20

**Consolidated Statement of Profit and Loss  
for the period ended 31st March, 2020**

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	Standalone	
		31-03-2020	31-03-2019
<b>Revenue from operation</b>			
I Revenue from Operations	24	25,800.78	21,374.21
II Other Income	25	473.64	425.13
<b>III Total Revenue (I+II)</b>		<b>26,274.42</b>	<b>21,799.34</b>
<b>IV Expenses</b>			
a. Cost of materials consumed	26	18,476.87	15,363.10
b. Purchase of Stock in Trade		211.76	
c. Changes in inventories of Finished Goods Work-in-Progress and Stock in Trade	27	(79.90)	128.72
d. Employee Benefit Expense	28	1,562.60	998.65
e. Depreciation and Amortisation Expense	2	625.02	313.47
f. Other Expenses	29	3,259.47	2,476.37
<b>Total Expense</b>		<b>24,055.82</b>	<b>19,280.31</b>
<b>V Profit before share of net profits of investments accounted for using equity method and tax</b>		<b>2,218.60</b>	<b>2,519.03</b>
<b>VI Share of net profit of associates accounted for using the equity method</b>		<b>29.55</b>	<b>68.94</b>
<b>VII Profit before exceptional Items &amp; Tax (III-IV)</b>	30	<b>2,248.15</b>	<b>2,587.97</b>
<b>VIII Exceptional Items</b>	30		<b>193.44</b>
<b>IX Profit before Tax (V-VI)</b>		<b>2,248.15</b>	<b>2,394.53</b>
<b>X Tax Expense</b>			
(1) Current Tax		478.79	637.83
(2) Prior years excess provision		-	(11.52)
(3) Deferred Tax	31	81.91	(1.90)
<b>Total Tax Expenses</b>		<b>560.71</b>	<b>624.41</b>
<b>XI Profit / (Loss) for the period from Continuing operations (VII-VIII)</b>		<b>1,687.44</b>	<b>1,770.12</b>
<b>XII Other Comprehensive Income</b>			
(a) (i) Items that will not be reclassified to profit or loss (net)	32	(4.03)	-48.67
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		-	-
(b) (i) Items that will be reclassified to profit or loss (net)		-	-
(ii) Income tax relating to items that will be reclassified to Profit and Loss		-	-

Particulars	Note No.	Standalone	
		31-03-2020	31-03-2019
<b>XIII Total Comprehensive Income for the period (IX+X) Comprising Profit (Loss) and other comprehensive Income for the Period</b>		<b>1,683.41</b>	<b>1,721.45</b>
<b>XIV Non Controlling Interest</b>		<b>118.06</b>	
<b>XV Total Comprehensive income after minority Interest</b>		<b>1,565.35</b>	<b>1,721.45</b>
XVI Paid-Up Equity Share Capital (Face Value of Rs.5/-)		2,473.38	2,360.88
XVII Reserve Excluding Revaluation Reserves		12,992.82	10,913.91
<b>XVIII Earnings per share (of Rs. 5/- each):</b>			
Basic In Rs, Ps	33	3.30	3.73
Diluted In Rs, Ps		3.25	3.70
XIX Net Worth		15,466.20	13,274.79

As per our reports attached.

**For CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 0140335

**Jim Cyriac** Partner  
Membership No : 230039;

Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

**Bharat J Patel** Chairman  
DIN01100361

**G.Krishna Kumar** Managing Director  
DIN01450683

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

Place : Palakkad  
Date : 26th June 2020

## Consolidated Statement of changes in equity for the year ended 31st March, 2020

### A. EQUITY

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Balance as at 31st March 2019	70000000	3,500.00	70000000	3,500.00
Changes in Authorised Equity Share Capital during the year				
Balance as at 31st March 2020	70000000	3,500.00	70000000	3,500.00
<b>Issued Share Capital</b>				
Balance as at 31st March 2019	47217529	2,360.88	47217529	2,360.88
Changes in Equity share capital during the year	22,50,000	112.50	0	-
Balance as at 31st March 2020	49467529	2,473.38	47217529	2,360.88

### Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Securities Premium represents amounts received in excess of par value on issue of shares.

General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss.

Remeasurements of Defined Benefit Plans Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

### B. OTHER EQUITY (Standalone)

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Share Application Money	Reserves & Surplus			Other Comprehensive income	Total
		Securities Premium	General Reserves	Retained earnings	Remeasurements of defined Benefit Plans	
Balance at the beginning of the year	-	1,700.00	417.60	8,859.96	(63.65)	10,913.91
Profit/ (Loss) for the year	-	-	-	1,687.44	-	1,687.44
Profit allocable to Non controlling interests	-	-	-	(118.06)	-	(118.06)
Dividends paid including taxes	-	-	-	(569.25)	-	(569.25)
Transfer to General Reserve	-	-	75.64	(75.64)	-	-
Preferential issue of shares	239.06	843.75	-	-	-	1,082.81
Other Comprehensive Income	-	-	-	-	(4.03)	(4.03)
Balance as at 31st of March 2020	239.06	2,543.75	493.24	9,784.46	(67.68)	12,992.82

Securities Premium represents amounts received in excess of par value on issue of shares.

General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss.

Remeasurements of Defined Benefit Plans Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the statement of Profit or Loss in the subsequent years.

As per our reports attached.

For CYRIAC & ASSOCIATES  
Chartered Accountants  
Firm No : 014033S

Jim Cyriac Partner  
Membership No : 230039;

Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Bharat J Patel  
DIN01100361  
Chairman

G.Krishna Kumar  
DIN01450683  
Managing Director

N.N. Parameswaran  
Chief Finance Officer & Company Secretary

Place : Palakkad  
Date : 26th June 2020

27<sup>th</sup>  
ANNUAL  
REPORT  
2019-20

**Statement of Audited Consolidated Cash Flow Statement  
for the period ended 31st March, 2020**

in ₹ Lakhs

Particulars	For the Period ended 31st March, 2020	For the Period ended 31st March, 2019
<b>A. Cash flow from operating activities</b>		
Net Profit before tax	2,248.15	2,394.52
<i>Adjustments for:</i>		
Depreciation and amortisation expenses of Property, plant and equipment and intangibles	625.02	313.47
Provision for doubtful debts/advances (net)	5.28	7.04
Gain on disposal of property, plant and equipment	(2.48)	103.66
Loss on settlement of deposit		88.74
Allowance of expected credit loss	(2.61)	
Interest income	(230.87)	(398.88)
	394.34	114.03
Share of profit of a joint venture		
Operating profit / (loss) before working capital changes	2,642.49	2,508.55
Work Changes in working capital:		
Increase / (decrease) in trade & other receivables	353.54	1,895.94
Increase / (decrease) Inventories	(98.98)	138.24
Increase / (decrease) in Trade, other payables and provisions	1,230.81	(207.10)
<b>Cash generated from operations</b>	<b>4,127.86</b>	<b>4,335.63</b>
Income tax (paid) / refunds	(433.49)	(662.07)
<b>Cash from operating activities (A)</b>	<b>3,694.37</b>	<b>3,673.56</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(3,051.32)	(2,657.33)
Proceeds from sale Property, Plant and equipment	4.23	75.30
Investment in unquoted shares		(1,668.38)
Acquisition of a subsidiary, not of cash acquired	(1,498.25)	-
Interest received	230.87	398.88
<b>Cash flow from investing activities (B)</b>	<b>(4,314.47)</b>	<b>(3,851.53)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	112.50	712.50
Proceeds from exercise of share options	-	-
Share Application money received	1,082.81	-
Dividend paid to Equity shares	(569.25)	(545.14)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>626.06</b>	<b>167.36</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>5.96</b>	<b>(10.61)</b>
Cash and cash equivalents at the beginning of the year	325.67	336.28
<b>Cash and cash equivalents at the end of the year</b>	<b>331.63</b>	<b>325.67</b>

As per our reports attached.

**For CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 014033S

**Jim Cyriac** Partner  
Membership No : 230039;  
Place : Thiruvananthapuram  
Date : 26th June 2020

For and on behalf of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

**Bharat J Patel** Chairman  
DIN01100361  
**G. Krishna Kumar** Managing Director  
DIN01450683

**N.N. Parameswaran** Chief Finance Officer & Company Secretary  
Place : Palakkad  
Date : 26th June 2020

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## A) General Information

Rubfila International Limited (RIL) (the "Holding Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The company is the largest manufacturer of both Talcum Coated and Silicon Coated Heat Resistant Rubber threads in India. It has adopted internationally accepted quality standards and its products are well received among customers both in India as well as around the world.

The Consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 26, 2020

During the year, the Rubfila International Limited has acquired 100% of the shares of M/s Premier Tissues India Limited ("the subsidiary company") (hereinafter together referred as the "Group") which is in the business of manufacture and marketing of paper tissues. The Subsidiary was previously a joint venture company with the holding company and M/s Ballarpur Industries Ltd.

## B) Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing stand-

ards. There is no such notification which would have been applicable from April 1, 2020.

## C) Significant Accounting Policies

### I. Statement of Compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

### II. Basis of Preparation and Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants

would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### III. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights rel-

ative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements comprise of the following financial statements;

M/s Premier Tissues India Limited	Joint Venture Company	From April 1, 2019 to September 12, 2019
M/s Premier Tissues India Limited	subsidiary Company	From September 13, 2019 to March 31, 2020

### IV. Interest in joint venture & Equity method

A joint venture is an arrangement in which the

Corporation has joint control and has rights to the net assets of the arrangement, rather than the rights to its assets and obligation for its liabilities.

The company has invested in a joint venture as a party to joint venture having joint control over that. Joint control is the contractually agreed sharing of control over an economic activity, Investments in joint venture with 50% holding is accounted and consolidated using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in The Consolidated Statement of Profit and Loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy.

### V. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of there cognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

### VI. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the

acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### VII. Use of Estimate and judgment

In the application of accounting policy which are described in below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if there vision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

#### Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological

changes, manufacturers warranties and maintenance support.

**Impairment of Non-financial Assets:**

For calculating the recoverable amount of non-financial assets, the company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available.

**Impairment of Financial Assets:**

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward looking information relating to not only the counter party but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

**Defined Benefit Plans:**

The cost of the defined benefit plan and other post employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (refer Note 35)

**VIII. Property, Plant and Equipment (PPE)**

For transition to IND AS, the Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of

the transition date (1 April 2016), measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount /rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (if any) and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than 1 year and considering the concept of materiality evaluated by management are capitalised and added to the carrying amount of such items. The carrying amount of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under the schedule II to the Companies Act, 2013 except for the list of assets mentioned in the following table, where useful life is estimated by the management, which is different as compared to those prescribed under the Schedule II to the Companies Act, 2013.

Block of Assets	Estimated life considered for depreciation	Estimated life as per Schedule 2 of Companies Act, 2013
<b>Building</b>		
- Office	58	60
- Factory	28	30
<b>Plant and Machinery</b>		
- Production Line	18	8
- Factory Equipment	9	8
- Lab Equipment	10	8

Depreciation on fixed assets added/disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate

**IX. Intangible Assets**

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Cost of software is capitalized as intangible asset and amortized on a straight-line basis over the economic useful life of three years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of intangible assets are reviewed by the management at each financial year and ad-

justed prospectively, if appropriate.

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost, less impairment losses if any.

**X. Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

**XI. Impairment**

**Impairment of non - Financial Asset**

The carrying amounts of assets are reviewed at each balance sheet date for if there is any indication of impairment based on internal/external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount the recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation /amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**Impairment of Financial Assets:**

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward looking

information relating to not only the counter party but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

#### XII. Inventories

Inventories are valued at the lower of cost and net realisable value item wise. Cost includes indirect cost also. Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- (i) Raw materials: Cost includes cost of purchase net of duties, taxes that are recoverable from the Government and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.
- (ii) (ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs if any. Work in progress are valued considering the cost of direct materials only.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value. When Inventories are sold, the carrying amount of those items are recognized as expenses in the period in which the related revenue is recognised.

#### XIII. Government Grants, Subsidies and Export incentives

Government Grants and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants / subsidy will be received. Export benefits are accounted on receipt basis only.

#### Advance License

The Company had obtained 3 advance licenses

(Previous year 5 Licenses) for duty free import of Raw Materials. Company has met the export obligation in full against the 2 Licences (Previous year 2 Licenses).

#### XIV. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that an outflow of resources will not be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability. Contingent assets are not recognized in the books of account. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset

#### XV. Foreign Currency Transactions and Translations

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially

recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

#### XVI. Share Capital and Share Premium:

Ordinary shares are classified as equity, Parvalue of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

#### XVII. Dividend Distribution to equity shareholders:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity along with any tax thereon.

#### XVIII. Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the Ind AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### XIX. Sale of Goods

The company derives revenues primarily from sale of manufactured goods, traded goods and related services. Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The company has a very low sales ratio to sales

and hence no provision for sales return or refund liability is recognized in the accounts for the products expected to be returned. The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

#### a. Sale of Goods:

Revenue from sale of goods is recognised, when Revenue from the sale of distinct third-party hardware is recognised at the point in time when control is transferred to the customer

#### b. Export benefits/incentives:

Export incentives under various schemes notified by the Government are recognized when confirmation of the right to receive the income is established. Receipts from government by way of Duty Draw Back is recognized only on receipt basis.

#### c. Other incomes:

Other incomes are recognised on accrual basis except when there are significant uncertainties. Interest income is recognised on accrual basis using effective interest rate method.

#### XX. Employee Benefits

##### a. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

##### b. Long Term Employee Benefits:

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology

as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

**c. Defined Contribution Plans**

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognised as an expense when employees have rendered the service entitling them to the contribution.

**d. Defined Benefit Plans: Gratuity**

The net present value of the obligation for gratuity benefits are determined by actuarial valuation, conducted annually using the projected unit credit method. The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of plan assets. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefits are recognised immediately in Statement of Profit and Loss as past service cost, if any, and net interest on the defined benefit liability/(asset) are recognised in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

**XXI. Taxation**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

**Current Tax**

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current year is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on

the expected outcome of assessments/appeals.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

**XXII. Earnings per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and

loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**XXIII. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realized within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.
- A liability is classified as current when:
- It is expected to be settled in normal operating cycle
  - It is held primarily for the purpose of trading
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current - noncurrent classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non current assets and liabilities.  
Fair value measurement:

**XXIV. Fair Value measurement**

Fair value is the price that would be received to

sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for transactions in the scope of IND AS 2 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.  
Financial assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

**Investments in subsidiaries & joint ventures**

Investments in equity shares of subsidiaries and joint venture are carried at cost less impairment. Impairment is provided for on the basis explained in Paragraph (3) of Note C above.

**Financial assets other than above**

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, loans/advances to employee / others, security deposit, claims recoverable etc.

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

**Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI

- Financial assets at fair value through profit or loss

#### Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are

Amortized using the effective interest rate(EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

#### Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognised in the other comprehensive income (OCI).

#### Financial assets at fair value through profit or loss(FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss.

#### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### Financial liabilities

The Company's financial liabilities include trade payable, accrued expenses and other payables.

#### Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value. Any difference between the proceeds(net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss.

#### Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

#### Financial Liabilities at Fair value through profit and loss(FVTPL)

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired..

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset there cognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### XXV. Inter Corporate Deposits

Company had advanced Inter Corporate loans to companies on short term basis at a specific rate of interest against security. The inter corporate deposit are advanced to the unrelated companies after considering factors such as track record, size of organisation, market reputation and value of the security.

#### XXVI. Employee Stock option scheme

Rubfila International Limited - Employee Stock Option Scheme 2017 (RUBFILA ESOS 2017) was

approved by the members in their meeting held on 15th September, 2017 for granting 1500000 options to the eligible employees of the Company in one or more tranches. The company has received in-principle approval from BSE for the allotment of 1500000 equity shares of Rs.5/- under the above scheme vide its letter dt. 03-07-2018. The list of eligible employees has been approved by the company and the total options to be granted as per the list is 670000 Nos. The date of grant of options is August 1, 2018 which needs to be exercised within one year. Option granted under this RUBFILA ESOS 2017 would vest after One Year but not later than Four Years from the date of grant of such Options



## 2. Property Plant & Equipment

Particulars	Gross block				Accumulated Depreciation				Net Block		
	As at 1st April, 2019	Additions	Transfer on account of Business Combination	Disposals	As at 31st March, 2020	As at 1st April, 2019	Transfer on account of Business Combination	Depreciation for the year	Eliminated on disposal of Assets	As at 31st March, 2020	As at 31st March, 2019
<b>Tangible Assets</b>											
Land	1202.06	9.66	280.00	-	1,491.72	-	-	-	-	1,491.72	1,202.06
Building	1,584.90	1,413.36	1,209.68	-	4,207.94	361.25	367.26	82.73	-	3,396.70	1,223.65
Plant & Equipment	8,540.23	2,275.20	3,189.79	-	14,005.22	5,013.32	1,482.05	514.71	-	6,995.14	3,526.91
Furniture & Fixtures	34.72	6.37	54.15	-	95.24	26.09	44.26	2.86	-	22.03	8.63
Vehicles	66.09	15.91	52.76	44.29	90.47	27.98	50.02	8.96	43.19	46.70	38.11
Office Equipment	36.32	12.61	36.51	-	85.44	24.78	34.39	5.21	-	21.06	11.54
Computer & Accessories	65.15	8.43	50.67	0.92	123.33	58.78	48.07	4.31	0.87	13.04	6.37
<b>Total</b>	<b>11,529.47</b>	<b>3,741.54</b>	<b>4,873.56</b>	<b>45.21</b>	<b>20,099.36</b>	<b>5,512.20</b>	<b>2,026.06</b>	<b>618.78</b>	<b>44.06</b>	<b>11,986.38</b>	<b>6,017.27</b>
<b>Capital Work in Progress</b>											
	9,645.11	1,828.03	-	143.67	11,529.47	5,325.96	-	312.30	126.06	6,017.27	4,519.15
	<b>771.54</b>	<b>2,732.70</b>	<b>16.23</b>	<b>3,497.59</b>	<b>22.88</b>	-	-	-	-	<b>22.88</b>	<b>771.54</b>
	319.42	808.94	-	356.82	771.54	-	-	-	-	771.54	319.42
<b>Intangible Assets</b>											
Computer Software	12.61	1.34	35.57	-	49.52	9.33	24.01	6.24	-	9.94	3.28
<b>Total</b>	<b>12.61</b>	<b>1.34</b>	<b>35.57</b>	-	<b>49.52</b>	<b>9.33</b>	-	<b>6.24</b>	-	<b>9.94</b>	<b>3.28</b>
	10.25	2.36	-	-	12.61	8.16	-	1.17	-	3.28	2.09

- 2.1 18.76 acres of lying contiguously with total extent of 87.40 Acres of land acquired in Udumelpet is not registered in the name of the company due to delay in submission of exemption certificate issued under The Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 by the transferrer before the revenue authorities. The possession and ownership of the property has already been transferred to the company from the date of execution of the sale certificate under The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI Act).
- 2.2 The Plant and machinery of M/s Premier Tissues India Limited has been impaired by an amount of Rs. 204.56 Lakhs and subsequently was claimed from M/s Ballarpur Industries Limited. The latter has accepted our claim and agreed to forego their receivable from M/s Premier Tissues India Limited. The amount of impairment is added to the depreciation for the year.

### Depreciation & Amortization

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
HRLRT	341.89	313.47
Paper	283.13	-
<b>Total</b>	<b>625.02</b>	<b>313.47</b>

### 3. INVESTMENT PROPERTY

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Free hold Land		
11.87 Acres in Coimbatore District, Pollachi Taluk, Tamilnadu	128.15	128.15
<b>Total</b>	<b>128.15</b>	<b>128.15</b>

The cost of the land has been considered as the fair value of the property and as per the value determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued it is confirmed that there is no impairment losses during the current year (March 31, 2019 - Nil).

### 4. Goodwill

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Goodwill arising on business combination	32.76	-

- 4.2 The joint venture company has become a subsidiary company effective from 13-09-2019 in terms of Section 2 (87) (1) of the Companies Act, 2013. And with effect from 28th March 2020 the holding company has taken over the Minority interest of the and the subsidiary company has become a wholly owned subsidiary of the holding company. The goodwill is initially valued on September 13, 2019 and was revalued on March 28, 2020 based on the carrying value of the Cash generating unit. Inspection for the impairment of the assets of the cash generating unit has been carried out prior to becoming a wholly owned subsidiary and impairment of Rs. 204.56 Lakhs on the plant and machinery of the CGU has been identified.

As per the terms of the Joint venture agreement between the M/s Rubfila International Ltd and M/s Ballarpur Industries Ltd a claim was raised towards the impairment loss of the assets of the M/s Premier Tissues India Ltd and accordingly M/s Ballarpur Industries Ltd has agreed to forego a receivable from M/s Premier Tissues India Ltd amounting to Rs. 202.31 Lakhs subsequent to the date becoming a wholly owned subsidiary of the the holding company.

- 4.2 The estimated value in use of this Cash Generating Unit "CGU" is based on the future cash flows using a 4.00% annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 11.33%. An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth (rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

## 5. INTEREST IN JOINT VENTURE

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>		
M/s. Premier Tissues India Ltd (Previous year 56,20,427 unquoted and non traded Equity Shares face value Rs. 10/- each fully paid up)		1,600.14
Reconciliation to carrying amounts		
Opening carrying amount	1,668.38	
Investment in Joint venture during the year	-	1,600.14
Profit / (Loss) for the period 01-04-2019 to 12-09-2019 (previous year 08-11-2018 to 31-03-2019)	29.55	68.94
Other comprehensive income		(0.70)
Investment in Joint venture converted as subsidiary	(1,697.93)	
<b>Closing net assets</b>	<b>-</b>	<b>1,668.38</b>

## 6. LOANS (Non Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, considered Good</b>		
Security Deposits with various authorities	148.23	51.98
<b>Total</b>	<b>148.23</b>	<b>51.98</b>

\*There is no amount due from director, other officers of the group in which any director is a partner of private companies in which any director is a director or member at anytime during the reporting period..

## 7. OTHER FINANCIAL ASSETS (Non Current) (at amortised Cost)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Earmarked Balance with Banks</b>		
Bank Guarantee	33.88	33.12
Unpaid Dividend Accounts	123.61	94.08
<b>Total</b>	<b>157.49</b>	<b>127.20</b>

\*There is no amount due from director, other officer of the Company of firms in which any director is a partner of private companies in which any director is a director or member at anytime during the reporting period..

## 8. OTHER NON CURRENT ASSETS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advance to suppliers	249.78	215.13
Vat Credit Receivable*	386.08	386.07
Income Tax refund receivable	2.08	2.08
<b>Total</b>	<b>637.94</b>	<b>603.28</b>

\* Rs. 173.42 Lakhs in VAT credit receivable pertains to the credit receivable from Tripura which is fully provided for in the books.

## 9. INVENTORIES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Raw Materials	603.00	482.09
(b) Work in Progress	300.54	146.61
(c) Stores & Spares	257.57	146.12
(d) Finished Goods (other than those acquired for trading)	470.75	129.44
<b>Total</b>	<b>1,631.86</b>	<b>904.26</b>

## 10. TRADE RECEIVABLES (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables outstanding more than one year		
Unsecured, Considered Good	3,409.58	3,228.51
Unsecured, Considered Doubtful	29.69	27.03
	3,439.27	3,255.54
Less Impairment Provision on Expected Credit Loss Model	29.69	27.03
<b>Total</b>	<b>3,409.58</b>	<b>3,228.51</b>

Movement in the expected credit loss allowance	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	27.03	22.68
Less : balances written off during the year	3.17	2.68
Add : provision made during the year	5.83	7.04
Balance at the end of the year	29.69	27.03

## 11. CASH & CASH EQUIVALENTS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	10.94	1.13
(b) Balances with banks		
- In Current Accounts	310.19	284.43
- In short term deposits (with original maturity of less than 3 months)	10.50	40.11
<b>Total</b>	<b>331.63</b>	<b>325.67</b>

Cash and cash equivalents as per Standalone Statement of Cash Flows is the same amounts stated above

## 12. BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(b) Balances with banks		
- Deposit Accounts - Unpaid Dividend - F.Y.18-19	151.38	38.08
<b>Total</b>	<b>151.38</b>	<b>38.08</b>

## 13. LOANS (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, Considered Good</b>		
Inter Corporate Deposits	1,150.00	1,735.00
Other Body Corporate	100.00	
<b>Total</b>	<b>1,250.00</b>	<b>1,735.00</b>

As at 31 March 2020 the company has intercorporate advances to the tune of Rs. 500 Lakhs (previous year Rs. 1,735 Lakhs) of which interest is not being serviced by one of the companies named M/s Raveena Hotels Private Limited to whom Rs. 50 Lakhs is advanced. As per the assessment of the management the amount is fully recoverable and the company has approached the National Company Law Tribunal for legal action.

#### 14. OTHER FINANCIAL ASSETS (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Accrued on inter Corporate Deposits	31.70	35.42
Other Deposit	16.60	0.10
Other Current Asset - udumelpet equipments	392.74	60.00
<b>Total</b>	<b>441.04</b>	<b>95.52</b>

#### 15. CURRENT TAX LIABILITIES (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Taxation	(13.80)	21.16
<b>Total</b>	<b>(13.80)</b>	<b>21.16</b>

#### 16. OTHER CURRENT ASSETS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
GST Tax Credit Receivable	431.43	10.81
Advance to Creditors	61.06	2.50
Advances to Employees	2.44	0.09
Others	61.64	-
Prepaid Expense (Unsecured , Considered good)	32.05	19.97
<b>Total</b>	<b>588.62</b>	<b>33.37</b>

#### 17. Other Financial Liabilities (Non Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	65.70	-
<b>Total</b>	<b>65.70</b>	<b>-</b>

#### 18. PROVISIONS (Non Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for Contingent Liabilities</b>		
Provision for Tripura VAT Receivable	173.42	173.42
Provision for unknown liabilities*	524.00	404.00
	<b>697.42</b>	<b>577.42</b>
<b>Other Provisions :</b>		
Sales Tax Differential Payable	3.17	2.69
Leave Encashment Liability	94.86	69.04
Provision for Gratuity	39.61	-
<b>Total</b>	<b>835.06</b>	<b>649.14</b>

18.1 \*Due to the numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the prevision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The company regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, may change its estimates significantly. However, no estimate of the range of any such change can be made at this time. Further the company has a pending litigation of Duty Draw Back for an amount of Rs. Rs. 391.73 Lakhs (excluding interest) pertaining to the financial years 2001-2003 which is pending before the Tribunal awaiting a decision of the Apex court in a similar case. The company has prudently set aside an amount irrespective of the possible outcome.

#### 19. OTHER NON CURRENT LIABILITIES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other advances received	0.50	0.35
<b>Total</b>	<b>0.50</b>	<b>0.35</b>

#### 18. TRADE PAYABLE (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables	2,227.48	954.29
<b>Total</b>	<b>2,227.48</b>	<b>954.29</b>

#### 19. OTHER FINANCIAL LIABILITIES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unpaid Dividend	153.42	132.16
Amount payable on purchase of Investments (refer note no 4.1)	775.00	-
<b>Total</b>	<b>928.42</b>	<b>132.16</b>

#### 22. OTHER CURRENT LIABILITIES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues Payable	244.58	137.12
Advances received from customers	105.99	40.34
Provision for Expenses	104.67	91.12
Other payables	102.11	6.15
<b>Total</b>	<b>557.35</b>	<b>274.73</b>

#### 23. PROVISIONS (Current)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provisions for Employee Benefits</b>		
Provision for Salary Arrears, Bonus & Production Incentive	54.91	49.23
Provision for Leave encashment	12.66	19.12
Terminal benefit Liability (Gratuity Benefit)	27.27	62.95
<b>Total</b>	<b>94.84</b>	<b>131.30</b>

## 24. REVENUE FROM OPERATIONS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Sale of Products		
HRLRT	22,579.92	21,201.12
Paper	3,024.83	
(b) Other Operating Revenues	196.03	173.09
<b>Total</b>	<b>25,800.78</b>	<b>21,374.21</b>

Particulars	As at 31st March, 2020	As at 31st March, 2019
Sale of Products comprises		
Manufactured Goods		
HRLRT	22,579.92	21,201.12
Paper	3,024.83	
<b>Total</b>	<b>25,604.75</b>	<b>21,201.12</b>

## 25. OTHER INCOME

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Income		
On deposits with banks and other balances carried at amortised cost	44.54	20.98
On Intercompany Deposits	175.31	377.90
(b) Net (gain)/ loss on foreign currency transactions and translations (Considered as Finance Cost)	38.34	23.53
Miscellaneous Income	12.95	2.72
Unclaimed creditor written off	202.31	
Profit on sale of fixed asset	0.19	-
<b>Total</b>	<b>473.64</b>	<b>425.13</b>

## 26. COST OF MATERIALS CONSUMED

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Stock	697.81	632.41
Add Purchases	18,406.89	15,326.38
Less: closing Stock	627.83	595.69
<b>Cost of materials consumed</b>	<b>18,476.87</b>	<b>15,363.10</b>
Material consumed comprises :		
Latex/ Chemicals/ Packing Materials	17,146.37	15,363.10
Latex/ Chemicals/ Packing Materials	1,330.50	-
<b>Total</b>	<b>18,476.87</b>	<b>15,363.10</b>

## 27. CHANGES IN INVENTORIES IN FINISHED GOODS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Closing Stock</b>		
Finished Goods	470.75	129.44
<b>Opening Stock</b>		
Finished Goods	390.85	258.16
<b>Total (ii) - (i)</b>	<b>(79.90)</b>	<b>128.72</b>

## 26. EMPLOYEE BENEFIT EXPENSE

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Salaries & Wages	1,389.16	858.38
Contributions to Provident and other funds	99.19	99.99
Staff Welfare Expense	74.25	40.28
<b>Total</b>	<b>1,562.60</b>	<b>998.65</b>



## 29. OTHER EXPENSES

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Packing Material	394.73	371.69
Power & Fuel	1,308.97	1,080.96
Effluent Treatment Expense	225.35	203.98
Bank Charges & Commissions	24.06	8.51
Repairs & Maintenance	-	-
Building	51.92	67.01
Machinery	72.69	44.50
Others	82.09	122.64
Insurance	38.29	19.06
Rent, Rates & Taxes	75.34	39.43
Communication	8.06	9.24
Travelling & Conveyance	61.94	50.84
Printing & Stationery	7.73	5.09
Freight & Forwarding	347.40	82.31
Sales Commission	15.34	4.18
Sales Discount	32.99	14.41
Business Promotions	9.28	1.80
Donations & Contributions	2.13	3.35
CSR Expenses	41.10	45.53
Legal & Professional	70.09	59.32
Payment to Auditors	-	-
For Statutory audit	5.28	3.00
For Cost Audit	0.50	0.50
Reimbursement of Expenses	0.11	0.11
Secretarial Expense	-	-
AGM & EGM Expense	1.84	0.57
List up Fee	4.49	6.00
Share Transfer Charges	3.16	6.06
Directors Sitting Fee	7.90	7.95
Dividend Distribution	2.84	2.90
Security Charges	49.60	27.09
Provision for Bad and Doubtful Debts	5.91	7.04
Less: Bad Debts provided in the Previous year recovered	(3.25)	(5.57)
Provision for unknown Liabilities	120.00	120.00
Inventory written off	1.12	-
Provision for credit loss	(1.45)	-
Miscellaneous / office Expenses	191.92	56.71
Loss on derecognition of PPE	-	10.16
<b>Total</b>	<b>3,259.47</b>	<b>2,476.37</b>

## 30. EXCEPTIONAL ITEMS

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loss on Contract (Abhisar Buildwell Pvt Ltd)*	-	88.74
Loss on Sale of Old Machineries**	-	104.70
<b>Total</b>	<b>-</b>	<b>193.44</b>

## 31. DEFERRED TAX LIABILITY (Net)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Deferred Tax Liability</b>	<b>1,020.52</b>	<b>538.31</b>
Arising on account of difference in carrying amount and tax base of PPE and intangibles	1,020.52	538.31
<b>Deferred Tax Asset</b>	<b>281.99</b>	<b>202.41</b>
Leave Encashment Liability	62.44	25.67
Provision for Gratuity	-	-
Provision for Doubtful debts	7.47	7.81
Sales Tax Liability	0.81	0.78
MAT Credit Entitlement	32.56	-
Provision for Contingent Liability	178.72	168.15
<b>Net deferred tax (liability)/ Asset</b>	<b>(738.53)</b>	<b>(335.90)</b>
<b>Transfer on account of Business Combination</b>	<b>320.72</b>	<b>-</b>
<b>Deferred tax expense/ (Income)</b>	<b>81.91</b>	<b>(1.90)</b>

## 32. OTHER COMPREHENSIVE INCOME

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) (i) Items that will not be reclassified to profit or loss (net)		
Actuarial Gain/ Loss of defined Employee benefit plan	(4.03)	(47.97)
Share of OCI of joint venture accounted for using the equity method		(0.70)
(ii) Income tax relating to items that will not be reclassified to Profit & Loss		-
(b) (i) Items that will be reclassified to profit or loss (net)		-
(ii) Income tax relating to items that will be reclassified to Profit		-
<b>Total</b>	<b>(4.03)</b>	<b>(48.67)</b>

## 33. EARNING PER SHARE

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Earnings per Share of ₹ 5 each</b>	<b>-</b>	<b>-</b>
Net Profit for the year ₹ in Lakhs	1,565.35	1,721.44
<b>Basic Earning per share</b>		
Weighted Average No. of Equity shares	4,74,14,789	4,61,49,036
Basic EPS in Rs. Ps.	3.30	3.73
<b>Diluted Earning per share</b>		
Weighted Average No. of Equity shares	4,81,48,825	4,64,73,693
Diluted EPS in Rs. Ps.	3.25	3.70

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 share warrants for the respective period.

### 34. CORPORATE SOCIAL RESPONSIBILITY

in ₹ Lakhs

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) Activities. A CSR Committee has been formed by the Company as per the Act. The funds were primarily allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross amount required to be spent	50.10	43.35
Amount spend during the year	41.10	45.53
Amount unspent during the year	9.00	-

### 35. DISCLOSURES REQUIRED UNDER IND AS 19 - "EMPLOYEE BENEFITS PLAN"

The Holding company has contributed for Provident fund and superannuation fund as defined contribution plans. The actuary has provided a valuation of Gratuity liability and leave encashment liability in terms of the definition mentioned in para 7 of IND AS - 19 the accounting based on the assumptions listed below and determined that there is no shortfall as at 31st March, 2020 and for the year ended 31st March 2019.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Projection is restricted to five years or earlier, if retirement occurs.

Expected guaranteed interest rate - 0.01% (Previous Year - 7.76%)

Discount rate - 6.87% (Previous Year - 7.76%)

#### 35.1. During the year, the company has recognised the following amounts in the statement of Profit and Loss

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Employer's contribution to Provident Fund and family Pension Fund	62.31	53.77
Employer's contribution to Superannuation Fund	3.78	3.94
Gratuity - funded	11.52	29.70
Leave Encashment - Unfunded	44.06	19.12

#### 35.2 The valuation result for the defined benefit gratuity plan as at 31-03-2020 are produced in the tables below :

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1. Assumption</b>		
Discount Rate	6.87%	7.76%
Salary Escalation	7.00%	7.00%
Attrition Rate	3.00%	3.00%
<b>2. Table showing changes in the present value of obligation</b>		
Present value of obligation as at the beginning of the year	362.92	276.18
Interest Cost	27.86	21.96
Current Service Cost	26.71	20.12
Benefits paid	(7.90)	(3.31)
Actuarial (gain) / Loss on obligation	33.12	47.97
Present value of obligation as at the end of the year	442.71	362.92
<b>3. Table showing changes in Fair value of Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	323.43	259.38
Expected return of Plan assets	27.97	22.43
Contributions	82.00	45.35
Benefits paid	(7.90)	(3.31)
Actuarial (gain) / Loss on Plan assets	5.20	(0.42)
Fair value of Plan assets at the end of the year	430.70	323.43
<b>4. Table showing Fair value of Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	323.43	259.38
Actual return on Plan Assets	27.97	22.43
Contributions	82.00	45.35
Benefits paid	(7.90)	(3.31)
Actuarial (gain) / Loss on Plan assets	5.20	(0.42)
Fair value of Plan assets at the end of the year	430.70	323.43
Funded Status	0.12	0.46
Excess of Actual over estimated return on plan assets	-	-
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	-	-
<b>5. Actuarial (Gain) Loss recognised</b>		
Actuarial (gain) loss on obligations	33.12	47.97
Actuarial (gain) / Loss on Plan assets	(5.20)	0.42
Total Actuarial (gain) / loss for the year	27.92	48.39
<b>6. The amounts to be recognised in the Balance Sheet and Statements of Profit /Loss</b>		
Present value of Obligation at the end of the year	442.71	362.92
Fair value of Plan assets at the end of the year	430.70	323.42
Funded Status	0.12	0.46
Net Asset / (Liability) recognised in the Balance Sheet	0.12	0.46
<b>7. Expenses recognised in the statement of Profit &amp; Loss</b>		
Current Service Cost	26.71	20.12
Interest Cost	27.86	21.96
Expected return on Plan assets	27.97	22.43
Net Actuarial (gain)/ Loss recognised in the year	27.92	48.39
Expenses recognised in the Statement of Profit & Loss	54.52	68.04

**35.2 The valuation result for the unfunded leave Encashment as at 31-03-2020 are produced in the tables below :**

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1. Assumption</b>		
Discount Rate	6.87%	7.76%
Salary Escalation	7.00%	7.00%
Attrition Rate	3.00%	3.00%
Proportion of Leave Availment	5.00%	5.00%
Proportion of encashment on separation	95.00%	95.00%
<b>2. Table showing changes in the present value of obligation</b>		
Present value of obligation as at the beginning of the year	90.00	-
Interest Cost	6.98	90.00
Current Service Cost	29.92	-
Benefits paid	-	-
Actuarial (gain) / Loss on obligation	(37.20)	-
Present value of Obligation as at the end of the year	89.70	90.00
<b>3. The amounts to be recognised in the Balance Sheet and Statements of Profit /Loss</b>		
Present value of Obligation at the end of the year	(90.00)	90.00
Fair Value of Plan assets at the end of the year	-	-
Funded Status	0.29	-
Net Asset / (Liability) recognised in the Balance Sheet	(89.71)	(90.00)
<b>4. Expenses recognised in the statement of Profit &amp; Loss</b>		
Current Service Cost	29.92	90.00
Interest Cost	6.98	-
Expected Return on plan assets	-	-
Net Actuarial (gain) / Loss recognised in the year	-	-
Expenses recognised in the Statement of Profit & Loss	(0.29)	90.00

**34. SEGMENT INFORMATION**

The Group is engaged in the manufacture and the sale of products which form part of one product group which represents two operating segment, as the Chief Operating Decision Maker (CODM), reviews business performance at an overall company level. Entity - wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

The Group has two segments namely Manufacture and sale of Heat Resistant Latex Rubber Thread in the current year. On the basis of Geographical revenue, allocated based on the location of the customer. Geographic segment of the company is disclosed as follows: Revenue outside india, ie Sales in Export Market and Revenue with in India, ie, Sales in Domestic Market.

The Geographic segment individually contributing to the company's revenue and segment assets are as follows:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Assets	Revenues	Assets	Revenues
<b>Heat Resistant Latex Rubber Thread</b>				
<b>Outside India</b>				
Asia	58.74	1,700.69	228.46	1,766.10
Europe	-	190.90	-	96.17
Africa	-	-	-	22.60
America	80.20	551.60	30.99	76.11
<b>Within India</b>	2,999.25	20,136.73	2,969.06	19,240.14
<b>Paper Division</b>				
India	263.49	2,983.84	-	-
Europe	22.69	40.99	-	-
<b>Total</b>	<b>3,424.37</b>	<b>25,604.75</b>	<b>3,228.51</b>	<b>21,201.12</b>

**37. RELATED PARTY DISCLOSURE**

In accordance with the requirement of Ind AS - 24 on "Related Party Disclosures" the names of the related parties where control exists/able to exercise significant influence along with the aggregate transactions/year end balance with them as identified and certified by the management are given below:

- a Names of related parties and nature of relationship where control exists are as under : M/s Premier Tissues India Limited Joint Venture Companies (till 12-09-2019)
- Subsidiary company (from 13-09-2019) M/s Premier Tissues India Limited
- b Names of other related parties and nature of relationship Key Management Personnels Mr. Gopinathan Pillai Krishnakumar Managing Director  
Mr. Nurani Neelakantan Parameswaran CFO & CS
- c Companies in which Directors are interested: M/s Moneybee Securities Pvt. Limited
- d Promoter Group Mr. Ruchit Bharat Patel

**37.1 Transactions with related parties**

Related Party	Nature of Transaction	2019-2020	2018-2019
Mr. Gopinathan Pillai Krishnakumar	Compensation for services	81.38	78.38
Mr. Nurani Neelakantan Parameswaran	Compensation for services	53.22	53.49
M/s Moneybee Securities Pvt. Limited	Consultancy Expenses	8.00	-
Mr. Ruchit Bharat Patel	Purchase of Investments	1,600.00	-

**35.2 Outstanding Balances**

Mr. Ruchit Bharat Patel

**As at 31 March, 2020**

775.00

**As at 31 March, 2019**

-

### 38. DETAILS OF PROVISION FOR CONTINGENT LIABILITY

Particulars	As at 31st March, 2019	Additions	Reversal	As at 31st March, 2020
	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs	in ₹ Lakhs
Provision for Expenses - Tripura VAT	173.42	-	-	173.42
	<i>173.42</i>	-	-	<i>173.42</i>
Provision for Unforeseen Liabilities	404.00	120.00	-	524.00
	<i>284.00</i>	<i>120.00</i>	-	<i>404.00</i>
<b>Total</b>	<b>577.42</b>	<b>120.00</b>	-	<b>697.00</b>
	<i>457.42</i>	<i>120.00</i>	-	<i>577.42</i>

Note :- Figures in Italics relates to Previous year

### 39. CONTINGENT LIABILITY & COMMITMENTS (to the extent not provided for)

in ₹ Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Claim against the Company not Acknowledgment as debt: Duty Draw back	391.73	391.73
(b) Intercorporate deposits pending settlement Raveena Hotels Private Limited	50.00	-
<b>Total</b>	<b>441.73</b>	<b>391.73</b>

39.1 The Group has pending the following litigation with various courts and which in its opinion has no impact on its financial position in the financial statements as on 31 March 2018.

No.	For / Against the company	Date of admission	Status
For the company			
1	Kerala State Electricity Board Ltd (Financial impact - Rs.65.57 Lacs)	2018-2019	Appeal decided in favour of the company by Hnbi High Court of Kerala
2	Raveena Hotels Private Limited (Financial Impact - Rs.50 Lacs)	2018-2019	Pending for hearing in NCLAT
Against the company			
1	Commissioner of Customs, Coimbatore (Financial Impact - Rs. 391.73 Lacs)	2008-09	Tribunal issued orders remanding the case back to await the supreme Court decision in similar case.
2	Bank of Tokyo, Mumbai (Financial Impact - Rs. 9.67 Lacs)	2004-2005	Pending for hearing in Hnbl High Court of Kerala

Income Tax liability that may arise in respect of matter

### 39. CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximise the share holders' value. The Group's overall strategy remains unchanged from previous year. The Group sets the amounts of capital required on the basis of annual business and long term operating plans.

### 40. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group's risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purpose nor does it write options. The most significant financial risk to which the coy is exposed are described below:-

The Group has assessed market risk, credit risk and liquidity risk to its financial instruments.

#### 1. Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, Primarily include Loans & borrowings, Investments and foreign currency receivables, Payables and borrowings.

##### 1a Interest Rate Risk

The company has not availed any loans hence it is not exposed to any interest rate risk.

##### 1b Currency Risk :

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase of materials from abroad and realization on export sales: The impact on the companies profit before tax due to change in interest rate is given below

Unhedged short term exposures

	As at 31st March, 2020 in ₹ Lakhs	As at 31st March, 2019 in ₹ Lakhs
Financial assets	133.12	244.99
Financial Liabilities	(22.97)	(2.28)

The Group is mainly exposed to changes in US Dollar. The sensitivity to a 2% increase or decrease in US Dollar against INR with all other variables held constant will be +/- Rs. 2.20 Lakhs (Previous year Rs. 4.85 Lakhs) The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date. The Group has not entered into any forward contracts or foreign currency hedges to mitigate the risk. As the amount involved is not material the foreign currency risk involved is minimal.

##### 1c. Price Risk

The Group is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities like latex, acetic acid and other chemicals, the Company closely monitors the price fluctuations to reap the price advantages.

The Group's investments in unquoted securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The Group manages the securities price risk through investments in debt funds / intercorporate deposits and by placing limits on individual and total investments.

##### 1d Equity Risk

There is no equity risk relating to the Group's as the group is not having any investments in equity shares.

#### 2. Credit Risk

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk for receivable, cash and cash equivalents and short term loans.

#### Cash and cash equivalents and short-term Loans (Loans current)

The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has been transacting for years. The Company has made several intercorporate loans on security with unrelated Companies considering factors such as track record, size of organisation, market reputation and value of the security. The risk is mitigated by the securities and guarantees provided by the companies. Therefore, the company does not expect any material risk except for the ones mentioned in Note 38.1 on account of non-performance by any of the companies to which the loans are given.

#### Trade Receivables

The Group is exposed to credit risk from its operating activities primarily from trade receivable amounting to Rs. 3255.54 Lakhs and Rs. 3106.68 Lakhs as of 31 March 2019 and 31 March 2018 respectively. The Group has standard operating procedure for obtaining sufficient security where appropriate, as a means of mitigating the risk of financial loss from defaults. No customers accounted for 10% or more of revenue during the reporting periods covered. The credit quality of the Group's customers is monitored on an on going basis and assessed for impairment where indicators of such impairment exist. The history of trade receivables shows a negligible provision for bad and doubtful debts. The solvency of customers and their ability to repay the receivable is considered in assessing receivables for impairment. Therefore, the Group does not expect any material risk on account of non performance by any of the Group's counterparties. Where receivables are impaired, the Group actively seeks to recover the amounts in question and enforce the compliance with credit terms.

	As at 31st March, 2020 in ₹ Lakhs	As at 31st March, 2019 in ₹ Lakhs
Balance at the beginning of the year	30.19	22.68
Impairment loss recognised	5.28	7.04
Impairment loss reversed	5.04	2.68
Balance at the end of the year	30.43	27.03

#### 3 Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board or Directors. Which has established and appropriate liquidity risk management framework of the group short-term, medium-term and long-term funding and liquidity risk management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liability.

The Group requires funds both for short-term operational needs as well as for long-term growth projects. The Group generates sufficient cash flows from the current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term. The Group has current ratio of 1.89 as on 21 March 2020 (previous year 4.26). The capital requirements for the expansion plans in Udumelpet for the year is Rs. 800 Lakhs (Previous year Rs. 2300 Lakhs for the Rubber division) and even with that the Group expects a minimal liquidity risk.

#### 4 Interest Rate Risk

The Group is a zero-debt Group as on 31st March 2020 (Previous year Rs. Nil) and is not exposed to any interest rate risk of short-term or long-term borrowings. There are no foreign currency borrowings made by the Group during the reporting periods. The impact on the Companies profit before tax due to change in interest rate is Nil at the close of this financial year.

#### 5 Other Risk

Financial assets as at March 31 2020 is Rs. 7805.03 lakhs. Financial assets of Rs. 298.06 lakhs as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of rs. 3138.19 lakhs as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost which is valued

considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers in respect of whom amounts are receivable. The Group is in the process of evaluating the potential impact with respect to customers in Domestic Formulation segment which could have an immediate impact. The Group closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Based on the initial assessment, the Group do not expect an abnormal credit loss through supplying to an unorganised sector the allowance for doubtful trade receivables of Rs. 29.14 lakhs as at March 31, 2020 is considered adequate.

## 42 EVENTS AFTER THE REPORTING PERIOD

The proposed final dividend for Financial Year 2019-20 amounting to Rs. 593.61 Lakhs will be recognised as distribution to owners during the financial year 2020-21 on its approval by Shareholders. The proposed final dividend per share amounts to Rs. 1.20/-

## 43 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Accounts, net of advances and not provided for Rs. 800 Lakhs (Previous Year - 2300 Lakhs).

## 44 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by category

The carrying value and fair value of financial instruments by categories are as follows:

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payable and other financial liabilities approximate the carrying amount largely due to short term maturity of these instruments.

(ii) Fair value of financial assets and liabilities measured at amortized cost

The management assessed that for amortized cost instruments, fair value approximate largely to the carrying amount. The management assessed that the fair value of Investment property and value of unquoted shares in Joint Venture and the carrying amount of the property has not varied materially during the period.

- 45 The Group has not made any contribution to electoral trusts in the current year and previous year.
- 46 The Ministry of Home Affairs vide order No. 40-3/2020 dated March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of COVID-19. The operations were disrupted at certain manufacturing facilities and depots of the Company, as a result of which goods worth Rs. 1,92.21 lakhs could not be dispatched to the domestic market.
- 47 The MCA wide notification dated October 11, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.

As per our reports attached.

**For CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 014033S

**Jim Cyriac** Partner  
Membership No : 230039;

Place : Thiruvananthapuram

Date : 26th June 2020

For and on behalf of the Board of Directors  
**RUBFILA INTERNATIONAL LTD**

<b>Bharat J Patel</b> DIN01100361 Chairman	<b>G.Krishna Kumar</b> DIN01450683 Managing Director
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**N.N. Parameswaran**  
Chief Finance Officer & Company Secretary

Place : Palakkad

Date : 26th June 2020