

RIL/SECTL/2021/  
02-08-2021

The Stock Exchange Mumbai  
Corporate Relationship Dept,  
Phirozee Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
**Mumbai - 400 001**

**Scrip Code - 500367**

Dear Sir,

**Sub :- Filing of Annual Report and Notice of Annual General Meeting for  
the Financial Year 2020 - 21 – Reg.**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report and Notice of Annual General Meeting for the Financial Year 2020 - 21.

Kindly acknowledge receipt.

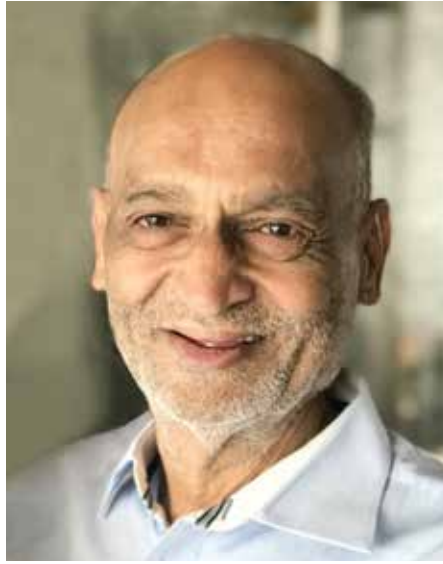
Thanking You,

Yours faithfully,  
For RUBFILA INTERNATIONAL LTD

*N N Parameswaran*

**N N PARAMESWARAN**  
CFO & Company Secretary

Encl : a/a



**Bharat Jayantilal Patel**

1953-2021

An investor with an inspirational ideology and an industrialist with equal vision and empathy, you have transformed the lives of many. You were an outstanding leader with an unmatched business acumen and your presence and guidance will be remembered as we continue to take your legacy forward.



**RUBFILA**  
**International Limited**

CIN : L25199KL1993PLC007018

NIDA Menonpara Road, Kanjikode P.O.  
Palakkad - 678 621, Kerala, India.  
Tel : +91 491 2567261-64 Fax: +91 491 2567260  
Email : info@rubfila.com, rubfila@gmail.com  
Website : www.rubfila.com

**TWENTY EIGHT  
ANNUAL REPORT  
2020 - 21**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**HARDIK B PATEL**  
Chairman

**BHARAT J DATTANI**  
Director

**D G RAJAN**  
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

- 04 Notice of AGM
- 22 Directors Report
- 33 Annexure to Directors Report
- 42 Secretarial Audit Report
- 50 Report on Corporate Governance
- 67 Management Discussion and Analysis

# NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the Members of Rubfila International Limited (CIN: L25199KL1993PLC007018) will be held on Tuesday, the 24th Day of August, 2021 at 11 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, 2021 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 2021, together with the Report of the Auditors thereon.
02. To declare a final dividend of Rs. 1.30/- per equity share of Rs. 5/- each for the Financial Year ended 31st March, 2021.
03. To appoint a Director in place of Mr. Bharat J Dattani (holding DIN 608198), 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. Dhiren S Shah (holding DIN 01149436), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.

## **SPECIAL BUSINESS:**

05. 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 three years with effect from 1st November, 2020 to 31st October 2023 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 initialled 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.”

**06. To ratify the remuneration payable to Cost Auditors for the year 2021-22.**

To consider and if thought fit, to pass with or without modification(s), the following resolutions 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, 2022, 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.”

**07. Reclassification of the Status of Promoters Shareholding into Public Shareholding.**

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 applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), and other applicable provisions; subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities, as may be necessary; the approval of the Members, be and is hereby accorded to reclassify the following persons/entities (hereinafter individually & jointly referred to as the “Applicants”) and currently forming part of the “Promoter and Promoter Group” holding 3059556 Equity Shares aggregating to 5.63% of the paid up capital of the Company, from “Promoter & Promoter Group” shareholding of the Company to the “Public” shareholding of the Company:

Sl. No.	Name of Promoter	Number of shares held in the Company	Percentage of shareholding in the Company
1	CHEW ANNIE GUAT KHUAN	3059556	5.63%

“**RESOLVED FURTHER THAT** on approval of the Stock Exchange(s) upon application for re-classification of the afore mentioned applicants, the Company shall effect such re-classification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to perform and execute all such acts, deeds, matters and things including but not limited to making timely intimation to stock exchange(s), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolutions.”

**08. Appointment of Mr. Hardik B Patel (DIN:**

**00590663) as a 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 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 17 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. Hardik B Patel (DIN: 00590663) who was appointed as an Additional Director with effect from 25/05/2021 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 appointed as a Director of the Company, liable to retire by rotation.

**"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."

**09. Amendment to the Object Clause in the Memorandum of Association of the Company.**

To Consider and, if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with applicable Rules and Regulations made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and subject to such approvals, permissions and sanctions of Registrar of Companies, appropriate authorities, departments or bodies as and to the extent necessary, consent of the members of the Company be and is hereby accorded for effecting the alterations in the ex-

isting Object Clause of the Memorandum of Association ("the MOA") of the Company in the following manner :-

Clause III (A) of the MOA be altered by inserting sub-clauses 4 and 5 after the existing Clause 3 :

- 4) To carry on the business of manufacturers, buyers, sellers, importers, exporters of and dealers in all kinds and classes of paper, board and pulp including writing paper, printing paper, news printing paper, absorbent paper, wrapping paper, tissue paper, cover paper, blotting paper, filter paper, antique paper, ivory finish paper, coated paper, art paper, bank or bond paper, badami, brown or buff paper, bible paper, cartridge paper, cloth lined paper, azurelaid paper, creamlaid wove paper, glassing, waxed paper, greaseproof paper, gummed paper, handmade paper, parchment paper, drawing paper, craft paper, manila paper, envelop paper, tracing paper, vellum paper, water proof paper, carbon paper, sensitised paper, chemically treated paper, carbon paper, litmus paper, photographic paper, glass paper, emery paper, pasteboard, cardboard, straw board, pulp board, leather board, mill board, corrugated board, box board, cartons, paper bags, paper boxes, post cards, visiting cards, all other kinds of paper whatsoever, soda pulp, mechanical pulp, sulphite pulp, and all kinds of articles in the manufacture of which in any form, paper, board, or pulp is used and conversion of all paper into packaging, and also to deal in or manufacture all kinds of packaging and any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.
- 5) To plant, cultivate, produce and raise, purchase or sell or otherwise handle or deal in grass, timber, wood, bamboo, straw, cotton, jute, flax, hemp, sugarcane, leather, asbestos, rags, waste paper, gunnies, water hyacinth, jute sticks or other fibres, fibrous substances or other things as may furnish materials for pulp and for paper or board manufacture in any of its branches or as may be proper or necessary in connection with the above objects or any of them.

**"FURTHER RESOLVED THAT** the Board of Directors of the Company (hereinafter referred to as the "Board" , which term shall deem to include any of its duly constituted committee) or any officer / executive / representative and/or any other person so authorised by the Board , be hereby authorised on behalf of the Company to do all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary, to settle any ques-

tions, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other authority arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the members of the Company."

**10. Approval for giving Intercorporate loans/ Intercorporate Deposits or guarantee or providing security in connection with loan availed by any of the company's subsidiary(ies) or Associate or Joint Venture or group entity of the Company or any other person in which any of the Director of the Company is deemed to be interested as specified under section 185 and 186 of the companies act, 2013**

To Consider and, if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 185, 186 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise required, any Committee of the Board or any Director(s) or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) for giving loan(s) / intercorporate Deposits in one or more tranches including loan represented by way of book debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), up to a sum not exceeding Rs.100 Crores [Rupees One Hundred Crores Only] at any point in time, in its absolute discretion deem beneficial and in the best interest of the Company."

**"RESOLVED FURTHER THAT** the powers be delegated to the Board of the Company and the Board is hereby authorised to negotiate, finalise agree the terms and conditions

of the aforesaid intercorporate loans/ intercorporate deposits/guarantee/security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds/documents/undertakings/agreements/papers/writings for giving effect to this Resolution."

By Order of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Place: Palakkad  
Date: 27/07/2021

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



Notes: -

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08,2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available to atleast 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.
4. 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.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.rubfila.com](http://www.rubfila.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited, at [www.bseindia.com](http://www.bseindia.com).. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. 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.
9. 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.
10. 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

11. 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.
12. 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 19-08-2021 through email to rubfila@gmail.com and the same will be replied by the Company, suitably.
13. The Share Transfer Books and the Register of Members shall remain closed from 18th August 2021 to 24th August 2021 both days inclusive.
14. The Board of Directors have recommended a dividend @ 26% (Rs.1.30/- per Equity Share of Rs.5/- Fully paid-up) of the paid up capital for the year. If declared at the Annual General Meeting, the same will be paid to the shareholders 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 17-08-2021.
  - 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 17-08-2021.
15.
  - (a) The unpaid/unclaimed dividends for the financial year 2012-13 was transferred to IEPF Account. Further unpaid/unclaimed dividends for the financial year 2013-2014 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 2013-2014 onwards, directly to the Company/RTA. Members may please note that the balance of unclaimed dividend for financial year 2013-14 will become due for transfer to IEPF on 11th September 2021 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 2013-14 is due for transferring 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 10th September, 2021.
  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, Kanjikode, 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.
16. 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.
17. 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 sub-

mit 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

18. 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.
19. 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.
20. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
21. 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.
22. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website [www.rubfila.com](http://www.rubfila.com) / investors, websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com)
23. 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, 17-08-2021, 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.
24. 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.
25. 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.
26. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice
27. 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 28th AGM and the Annual Report for the year ended 31st March, 2021 including therein the Audited Financial Statements for the Financial Year 2020- 21, 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 28th AGM and the Annual Report for the Financial Year 2020-21 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.

28. 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.

29. The instructions of shareholders for remote e-voting and e-voting During agm/egm and joining meeting through vc/oavm are as under:

- (i) The voting period begins on 21-08-2021 at 9.00 a.m and ends on 23-08-2021 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 17-08-2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id

in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
---	--

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(i) Login method for e-Voting and joining virtual meeting for shareholders other than **individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat 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 demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for Rubfila International Ltd. on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password &

enter the details as prompted by the system.

#### (xv) Facility for Non - Individual Shareholders and Custodians -Remote Voting

- 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 shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are 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 & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

30. Instructions for shareholders attending the AGM/ EGM Through VC/OAVM & e-voting during meeting are as under:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instruc-

tions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM..
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before 17th August, 2021 mentioning their name, demat account number/folio number, email id, mobile number at rubfila@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before 17th August, 2021 mentioning their name, demat account number/folio number, email id, mobile number at rubfila@gmail.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, 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..
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the

same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**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:**

1. For Physical shareholders- please provide necessary details like 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/RTA email id**.
2. 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 **Company/RTA email id**.
  - If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
  - 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 or call on 022-23058542/43.
31. 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.
32. During the 28th AGM, the Chairman shall, after re-



- sponse to the questions raised by the Members in advance or as a speaker at the 28th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 28th 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 28th AGM.
33. The Scrutinizer shall after the conclusion of e-Voting at the 28th 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 28th AGM, who shall then countersign and declare the result of the voting forthwith.

34. 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.
35. 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 2020-21 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 Board of directors in its meeting held on 10 November 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 three years with effect from 1st November, 2020 to 31st October 2023 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 2020-21 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 5,18,802- per month
- II. Dearness Allowances: Rs.10750/-
- III. House Rent Allowance: Rs.10000/-

Annual increment of 6% each year. 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, holiday 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 three years with effect from 1st November, 2020 to 31st October 2023, 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. 5 of the accompa-

nying Notice.

#### **Item No.6**

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 Committee had appointed M/s. Ajith Sivadas & Company, Cost Accountants as the Cost Auditors of the Company for the financial year 2021-22 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2021 - 22

The resolution as set out in item no. 6 of this Notice is accordingly recommended 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. 6 of the accompanying Notice.

#### **Item No. 7**

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") has provided a regulatory mechanism for classification of Promoters & Promoter group as Public Shareholders subject to fulfilment of conditions as provided therein.

In this regard, the Company received applications from the person/entities (as set out below) pursuant to Regulation 31A of the Listing Regulations for classifying them under the Public Category since their names have been included as a part of the Promoter and Promoter group.

They are not the 'immediate relatives' nor are they controlled by the remaining Promoters of the Company, as per the definition of promoter group as provided in Regulations 2(1)(zb)(ii) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

They are financially independent persons/entities, who take independent investment decisions and are no way related to any of the business carried out by the Company. Further they do not hold any key managerial position or representations of the Board of Directors in the Com-

pany and have not engaged in any management or day to day affairs of the Company and also do not have any right either to appoint any Director of the Company or an ability to control the management or policy decisions of the Company in any manner whatsoever including by virtue of their shareholding. Further, they shall not act as a key management person of the Company for a period of more than three years from the date of the shareholders approval in relation to this reclassification. None of their influences the decision taken by the Company and they do not have any special right through formal or informal arrangements with the Company or with the Promoter of the Company.

Sl. No.	Name of Promoter to be re-classified as Public Shareholder	No. of Shares held in the Company as on date of notice from members	% of holding in the total capital of the Company as on date of notice from members
1	CHEW ANNIE GUAT KHUAN	3059556	5.63%

The afore-mentioned Promoter vide their letter dated 03rd May 2021, had requested the Company for re-classification of their shareholding (as mentioned in the table above) as Public Shareholding

In view of the explanations given by the Applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, the Board of Directors of the Company at their meeting held on 25th May, 2021 have approved all the applications for re-classification received by the Company as above from Promoter and Promoter Group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid persons/entities.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfils the minimum public shareholding requirement of at least 25% and the proposed re-classification does not intend to increase the public shareholding to achieve compliance with the minimum public shareholding requirement.

Further, in accordance with Regulation 31A of the Listing

Regulations, the said re-classification requires the approval of the Stock Exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchanges for granting such approval, the Stock Exchanges, inter alia, require that the Company obtain the consent of the Shareholders of the Company, for the said reclassification.

None of the Directors, Key Managerial Persons, or their relatives is concerned or interested in this resolution as set out in the notice.

The Board recommends the passing of the above resolutions as set out under item no. 7 for approval of the Members as Ordinary Resolution.

#### Item No.8

Mr. Hardik B Patel (DIN: 00590663) was appointed as Additional Director on the Board of the Company pursuant to the provisions of Section 161 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Mr. Hardik B Patel is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his 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. Hardik B Patel, for the office of Director of the Company.

Further, details of Director whose appointment as Director is proposed in Item No. 8 has been given in the Annexure to this Notice.

The Board recommends the Resolutions as set out in the Item No. 8 of the accompanying Notice for the approval by the Members of the Company.

Mr. Hardik B Patel is interested in the resolution set out respectively at Item No. 8 of the Notice with regard to his appointment. The relatives of him 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.

#### **Item No.9**

Company is presently engaged in the business segment of manufacturing of Latex Rubber Thread and it consumes cartons for packing rubber threads. Consumption of Cartons has gone up and will further go up with added capacity. To save on costs, the Company proposes to set up a carton manufacturing unit for captive consumption. The Company will sell packing cartons to its wholly-owned Subsidiary also.

It is proposed to amend the Clause III (A) of the MOA by inserting sub-clauses 4 and 5 after the existing Clause 3. The Board of Directors at their meeting held on 27-07/2021 has approved (subject to the approval of members) the amendment to Object Clause in the Memorandum of Association of the Company as aforesaid.

In terms of Section 4 and 13 of the Act, the consent of the members by way of Special Resolution is required for change in Object Clause of the Memorandum of Association of the Company. The Board recommends for approval by the members the resolution as set out at item No. 9 of the Notice as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

#### **Item No. 10**

Company has been deploying Intercompany Deposits with various parties on a competitive rate of interest and has been earning interest based on market dynamics. Company proposes to offer Intercompany Loans / Intercompany Deposits to its subsidiary companies or Associate or Joint venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company was unable to extend financial assistance by way of loan to such Entities.

The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s)/ Intercompany deposits or providing financial assistance or providing guarantee or securities in connection with the loans/ Intercompany deposits taken or to be taken by the Entities for the capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities. The amount of loan/ Intercompany deposits shall not exceed Rs 100 Lacs (Rupees One Hundred Lacs only) at any point of time. The rate of interest shall not be less than the prevailing yield rate applicable to the period of 1 (one) year, 3 (three) year, 5 (five) year or 10 (ten) year Government Security that is closest to the tenor of the loan/ Intercompany deposits. The repayment terms shall be as agreed with the parties.

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan/ Intercompany deposits, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

The Board of Directors recommend the resolution given in this Notice for your approval as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

By Order of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Place: Palakkad  
Date: 27-07-2021

**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 Dattani	Mr. Dhiren S Shah	Mr. G. Krishna Kumar	Mr. Hardik B Patel
DIN No.	00608198	01149436	01450683	00590663
Age & Date of Birth	69 / 28-09-1952	65 / 29-04-1956	57 / 29-05-1964	39 / 10-01-1982
Type of appointment	Director retiring by rotation	Director retiring by rotation	Managing Director	Director retiring by rotation
Date of first Appointment	08-09-2005	23-09-2009	27-10-2007	25-05-2021
Experience and Areas of Specialization	Finance	Finance	Project, Operations & Management	Investment Banking, Equity Brokerage & Wealth advisory services
Qualifications	MBA	M.Com; LL.B; FCA; CWA	B.Tech, MBA	MBA
Terms & Conditions of Appointment	Non-executive	Non-executive	Executive	Non-Executive
Remuneration last drawn	Nil	Nil	Nil	Nil
No. of Shares Held in the Company	Nil	Nil	58571	3551768
No. of Board Meetings attended during Financial Year 2020-21	6	6	6	0
List of Directorship held in outside Public Limited Companies	Nil	Nil	1	2
Chairman/member of the Committee of the Board of Directors of other Companies*	Nil	Nil	Nil	Nil
Relation with Key Managerial Personnel and Directors	Nil	Nil	Nil	Nil
Justification for appointment	Expertise in Finance & Management	Expertise in Finance & Management	Expertise in Project, Operations & Management	Expertise in Investment Banking, Equity Brokerage & Wealth advisory services

\*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, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600017. Ph: 044-28140801 - 3. Email :corpser@integratedindia.in

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

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

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

In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service(NECS) / National Electronic Fund Transfer(NEFT), those holding shares in physical form are requested to furnish their mandates for the same 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.

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

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

Year	% of share Paid up value
2012-13	12
2013-14	12
2014-15	15
2015-16	10
2016-17	15
2017-18	20
2018-19	20
2019-20	24

Members wishing to claim unclaimed dividends are requested to correspond with the Company Secretary of the Company, at the registered office. Members are re-

quested 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](http://www.rubfila.com)). Shareholders who have not encashed their dividend warrants for any of the years 2013-14 to 2019-20 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 above are available on the website of the Company [www.rubfila.com](http://www.rubfila.com) / investors.

By Order of the Board of Directors  
RUBFILA INTERNATIONAL LTD

Place: Palakkad  
Date: 27-07-2021

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

# DIRECTORS' REPORT

## TO THE MEMBERS OF RUBFILA INTERNATIONAL LIMITED

The Directors have pleasure to present the 28th Annual Report and the audited Annual Accounts for the year ended 31st March 2021. 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: - (Rs. In lakhs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Revenue From Operation	27005.13	22,770.61	32294.03	25,800.78
Other Income	181.28	222.55	255.75	473.64
<b>Total Income</b>	<b>27186.42</b>	<b>22,993.16</b>	<b>32549.79</b>	<b>26,274.42</b>
Operating Expenditure	22661.98	20,643.88	27387.66	23,408.68
<b>Operating Profit Before Depreciation, Interest and Tax</b>	<b>4524.44</b>	<b>2,349.28</b>	<b>5162.13</b>	<b>2,865.74</b>
Finance Cost	3.55	9.83	25.39	22.18
Depreciation and Amortization Expenses	496.19	341.89	631.65	625.02
<b>Profit Before Exceptional Items</b>	<b>4024.70</b>	<b>1,997.56</b>	<b>4505.09</b>	<b>2,218.54</b>
Exceptional Items	-	-	-	-
<b>Profit Before Tax</b>	<b>4024.70</b>	<b>1,997.56</b>	<b>4505.09</b>	<b>2,218.54</b>
<b>Tax Expenses</b>				
a) Current Tax	962.02	450.91	1093.54	478.79
b) Deferred Tax	37.22	42.92	68.88	81.91
<b>Profit after Tax</b>	<b>3025.46</b>	<b>1,503.73</b>	<b>3342.67</b>	<b>1,657.84</b>
Other Comprehensive Income	-68.96	9.28	-67.50	-4.03
Share of Net profit of Associates using Equity Method	-	-	-	29.55
Non Controlling Interest	-	-	-	-118.06
<b>Total Comprehensive Income</b>	<b>2956.50</b>	<b>1,513.01</b>	<b>3275.17</b>	<b>1,565.30</b>
<b>Basic EPS</b>	<b>5.76</b>	<b>3.19</b>	<b>6.38</b>	<b>3.30</b>
<b>Diluted EPS</b>	<b>5.71</b>	<b>3.14</b>	<b>6.33</b>	<b>3.25</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 of Rubfila for the financial year ended March 31, 2021 was Rs. 27,005.13 lakhs, which grew by 18.60% compared to Rs.22,770.61 lakhs for the previous year. The profit after tax (PAT) for the year was grew by 101% to Rs.3025.46 lakhs from Rs.1503.73 lakhs in the previous year. The year started on a grim note with the country under lock down due to corona virus and all the operations affected. Sales went for a spin with all the markets getting closed, but a silver lining emerged during the time in the form of demand for threads used as ear bands for masks. The company's products played a major role in fighting the pandemic being part of millions of masks worn by people all over the world. Though the first quarter was affected, operations got normalised from the second quarter when demand escalated from both domestic and international markets. This was due to the pent up demand witnessed in almost all the sectors which the economists later described as 'revenge consumption'. There were other factors like disruptions in shipping schedules worldwide which affected the alternate supply chains and increase in latex price in the international market. This affected the imports of threads into India and demand from the domestic market scaled up. With uncertainty in delivery schedules leading to further demand from international markets too, the company's order book position grew to a healthy level. During the year, there was a spike by 75% in export business despite the bottlenecks linked to container shortages, shipping schedule disruptions etc.

In January 2021, the company also commissioned one more line adding 2500 MT to its annual capacity and the total annual capacity stands at 20000 MT.

It has to be mentioned that despite a bad start in the beginning, the year ended up on a positive note with the company achieving its highest sales turnover in the history and higher profits.

### Premier Tissues India Ltd:

Premier Tissues India Ltd (PT), the wholly owned subsidiary of RIL, had many plans drawn up enhance the business, but had to face hurdles due to the lock down and covid. The works initiated to overhaul the plant had to be slowed down due to travel restrictions, want of labour etc. With schools closed and the sales of note books minimal, PT also faced constraints in availability of waste pa-

per and saw the spike in paper costs by around 30% plus.

The standalone sales from operations of the company for the year ended 31st March, 2021 was Rs 5289.39 lakhs as compared to Rs.5353.74 lakhs for the previous year. This sale has been achieved irrespective of the disruptions in the first two months due to lock down. The key initiatives during the year included overhauling the sales team, appointment of new distributors etc and these steps had a positive impact on the sales.

Despite this, the profit after tax for the year ended 31st March, 2021 was Rs. 317.74 lakhs. Almost 50% higher than Rs. 213.55 lakhs posted for the previous year.

### Consolidated Figures:

The consolidated net revenue from operations for the year was Rs.32294.03 lakhs and with the profit before tax at Rs.4505.09 lakhs. On consolidated basis, Rubfila along with the subsidiary earned a Profit after Tax of Rs.3342.67 lakhs for the year 2020-21.

The Financial Statements of the Company have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

### Dividend and Transfer to Reserves

Your Directors have recommended a dividend of 26% (Rs.1.30 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 2020-21 of Rs.705.48 lakhs. (Rs.593.60 lakhs in 2019-20). An amount of Rs.147.83 lakhs, 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](http://www.rubfila.com) and on website of the Ministry of Corporate Affairs viz., [www.iepf.gov.in](http://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 2013-14 will be transferred to IEPF during the Financial Year 2021-22.

As on March 31, 2021, the unclaimed amounts with respect to the dividend are as under:

Particulars	Unclaimed Amount	Date of transfer to the Investor Education and Protection Fund (IEPF)
Dividend FY 2013-14	17.09	11.09.2021
Dividend FY 2014-15	21.71	25.10.2022
Dividend FY 2015-16	14.86	29.10.2023
Dividend FY 2016-17	21.73	14.10.2024
Dividend FY 2017-18	29.46	21.10.2025
Dividend FY 2018-19	29.67	20.10.2026
Dividend FY 2019-20	37.20	16.10.2027

### 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](http://www.rubfila.com).

### Capital Expenditure

As on 31st March 2021, the gross fixed assets of the company stand at Rs.17061.92 lakhs and net fixed assets at Rs.10722.57lakhs. Capital additions during the year amounted to Rs 2732.31lakhs, which include addition to Land Rs7.72 lakhs, Building Rs.281.77 lakhs, Plant & Machinery and other assets amounting to Rs.1051.66 lakhs and Capital Work in Progress of Rs.1391.16 lakhs.

### Future Prospects

Rubfila has been growing in the past few years by capturing additional share in the domestic and international markets. The capacity expansions in the past many years has helped the company to tap into higher share both from the market growth or by entering into newer markets worldwide. The installed capacity which stood at 5000 Ton per annum (TPA) in 2013 has scaled to 20000 TPA by 2020. With the acceptance of company's products growing, RIL is planning to expand capacity further to consolidate its position in the international market. With this addition of 5000 TPA, the total capacity will reach 25000 TPA. With this, the company is expected to be a key player in the world of rubber threads.

In line with the growth prospects of Rubfila, 'M/s.Premier Tissues India Ltd' also is in the growth path. Premier had launched many new products during the year like disinfectant wipes, sanitizing wipes, disinfectant spray, etc which was the need of the market in a pandemic year. During the year, company has started expanding the distribution network which is expected to bring in additional sales once the pandemic related constraints are over. It is also planning to explore the consumer products in the home care segment which offer good potential in view of the heightened awareness of hygiene. Once this happens, along with paper products, Premier aims to be in the forefront of the consumer products segment too.

### 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 2021.
- 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 2021-22.

#### **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), Mrs. R. Chitra (DIN 01560585), Mr. S. H. Merchant (DIN 00075865) and Mr. D. G. Rajan (DIN 00303060) 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 Govern-

ance Report which forms part of this Report.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs Manesar.

Further, the Independent Directors of the company met once during the year on 31-03-2021 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

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 Company's investment in its subsidiary (net of provisions) stood at Rs.3200.14 as at March 31, 2021. 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.

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:**

At Rubfila, the Board of Directors, the Management and all employees consider society as an extended arm of business with a major stake and are duty bound in contributing for the development of society.

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 CSR Committee and framed a policy which details the areas that can be supported under the same. A few focussed areas for providing CSR support have been identified such as healthcare, education, rural development, sustainable livelihood, social empowerment & welfare, Arts and Culture etc. The policy also includes providing support to the highly needy individual beneficiaries who are in real distress for healthcare, housing etc, but this is done with utmost care after ample due diligence.

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. CSR policy of the company is available on the website [www.rubfila.com](http://www.rubfila.com).

The CSR activities are overseen by a committee of Directors comprising of Mr. Bharat J. Dattani (DIN 1462746) Mr. G Krishna Kumar (DIN 01450683) and Mr. Patrick M Davernport (DIN 00962475) on a regular basis.

In the year under review, the company spent Rs.52.99 lakhs towards various CSR expenditures. A report on the Corporate Social Responsibility activities is annexed to this report.

### **Directors and Key Managerial Personnel**

#### **Demise of Mr. Bharat J Patel, Chairman**

Mr. Bharat J Patel, Chairman of the company from 2009 to 2021 breathed his last on 29th May, 2021 at Mumbai. He was 68.

Mr. Bharat J Patel was appointed on the Board of the company in 2005 and was a visionary and a major guiding force in turning around the company which was in severe distress. Mr. Bharat J Patel led the company from sickness through various stages of recovery, multiple expansion of manufacturing capacity, acquisition of Premier Tissues etc to a place where it is respected as a major player in the world of rubber threads internationally. He had shown exemplary leadership skills in steering the company to this level and the company immensely benefitted from his vision and foresight. The Board and the management are committed in carrying forward the vision of Mr. Bharat J Patel in elevating the company to new heights.

Mr. Bharat J Patel's sudden demise is an irreparable loss to the company and the Board and all the employees pay their homage from their heart for his contributions to the company.

### Composition of the Board

The Board of Directors of the company comprises of 9 directors as on the date of report. Your Board comprises Mr. Hardik B Patel (DIN 00590663) as Chairman, Mr. G. Krishna Kumar, (DIN 01450683) as Managing Director (Executive), Mr. Bharat J. Dattani (DIN 00608198) and Mr. Dhiren S. Shah (DIN 01149436) as promoter non-executive, Non-independent Directors and five Non-executive Independent Directors namely Mr. D. G. Rajan (DIN 00303060), Mr. Patrick M Davenport (DIN 00962475), Mrs. R. Chitra (DIN 01560585), Mr. S. H. Merchant (DIN 00075865) and Mr. Samir K. Shah (DIN 01714717). 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. Bharat J Dattani (DIN 00608198) retire by rotation and being eligible offer themselves for re-appointment in the ensuing Annual General Meeting.

Mr. G. Krishna Kumar was re-appointed as the Managing Director for a period of 3 years from 01st November, 2020 to 31st October, 2023. Mr. Tommy Thompson (DIN 01509260) resigned from the Board on 10-02-2021. Mr. Hardik B Patel (DIN 00590663) appointed as an Additional Director on 25-05-2021. Upon the demise of Mr. Bharat J Patel, the Board of Directors at their meeting held on 21-06-2021 appointed Mr. Hardik B Patel as Chairman of the Company.

During the reporting period your Board met six 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 24-08-2021.

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.

Mr. G. Krishna Kumar, (DIN 01450683) Managing Director (Executive) and Mr. N N Parameswaran, Company Secretary and the Chief Financial Officer are the KMPs of the Company.

### 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.

Annual performance evaluation was carried out for the Board, Board Committees and Individual Directors and Chairman. 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. This 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:

- a. 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.
- b. 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.
- c. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- d. 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.
- e. 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.

- f. 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.
- g. 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 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 M/s.SVJS & Associates, Company Secretaries was appointed to undertake the Secretarial Audit of the company and its material subsidiary for the year ended March 31, 2021. The Secretarial Auditors have submitted their report and the Board took note of the same. The Secretarial Audit Report is annexed herewith.

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.

#### **Management Comments to the observations of the Secretarial Auditors**

*Company in its Annual General Meeting held on 10th September, 2020 appointed an Independent Director and made half of the Board comprise with Independent Directors. A Special Resolution was passed in the Annual General Meeting held on 10th September, 2020 for the appointment of a non-executive director who has attained the age of 75 years.*

*Vide mail dt.25/06/2021, BSE condoned the delay in submission of disclosure of related party transaction for the period ended 30th September,2021. One-day delay in submitting report on Corporate Governance for the quarter ended 30th June, 2020 was due to a technical issue and the Company has paid the fine for one day.*

*The Statutory Auditor represented that he had submitted necessary documents before the Institute of Chartered Accountants of India and was awaiting to be peer reviewed.*

*The Directors informed that they are taking necessary steps for registration with the data bank of the Indian Institute of Corporate Affairs.*

#### **Cost Auditors**

M/s. Ajith Sivadas & Co. Cost Accountants was appointed as Cost Auditors for the year 2020-21. The remuneration payable for the Financial Year 2021 – 22 will be ratified in the ensuing Annual General Meeting.

#### **Internal Auditors**

The Board has appointed M/s. Pratapkaran 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 Person-

nel) 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 end 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 2020-21 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)

The following disclosures, pertaining to ESOPs for the FY 2020-21, are being made as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014:

Sr. No.	Particulars	
(i)	Options Granted	6,70,000 Nos
(ii)	Options Vested	6,70,000 Nos
(iii)	Options Exercised	Nil
(iv)	Total number of shares arising out of exercise of options	N.A.
(v)	Options Lapsed	N.A
(vi)	Exercise Price	N.A
(vii)	Money realized by exercise of options	N.A

(viii)	Variation of terms of options	Nil
(ix)	Total number of Options in force as at March 31, 2021 (Total No. of Options granted so far Less Total No. of Options exercised and	6,70,000 Nos

Employee-wise details of options granted, during FY 2020-21, to (Options yet to be exercised): Nil

KMPs: Nil

Any other employee who received a grant of Options in any one year of Options amounting to five percent or more of Options granted during that year: Nil

Identified employees who were granted Options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: Nil

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 2020-21.

- 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 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**

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 92 (3) read with Section 134 (3) (a) of the Companies Act, 2013 is available on the website of the company in the following web link: [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 by 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 for the company's success.

For and on behalf of Board of Directors

Chairman

Palakkad  
27-07-2021

Hardik B Patel  
DIN 00590663

# ANNEXURE - A TO THE DIRECTORS' 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. 1124.08 Lacs
07.	Reserves and surplus	Rs. 2483.95 Lacs
08.	Total assets	Rs. 4829.96 Lacs
09.	Total Liabilities	Rs. 1221.93 Lacs
10.	Investments	Rs. 600.00 Lacs
11.	Turnover	Rs. 5289.39 Lacs
12.	Profit before taxation	Rs. 480.92 Lacs
13.	Provision for taxation	Rs. 163.18 Lacs
14.	Profit after taxation	Rs. 317.74 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

Palakkad  
27-07-2021

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

**Hardik B Patel**  
DIN 00590663

**G.Krishna Kumar**  
DIN 01450683

**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. Planted tree saplings around the factory premises at Palakkad.
2. Soak pits constructed near to bore wells and other areas to store and recharge the aquifer with rain water.
3. Extrusion area process piping modified, so as to reduce the water consumption.
4. Reduced the consumption of acetic acid.
5. Replaced old diesel generator with new energy efficient and low emission unit.
6. AC capacitors installed at various panels to improve the electrical system efficiency.

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.

#### 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 : 4530.54
- 2) FOREIGN EXCHANGE OUT GO
  - a) Raw materials : 1088.88
  - b) Capital Purchase : 77.98
  - c) Sales Commission : 7.77
  - d) Travelling Expenses : 2.34
  - e) Spares : 41.15

For and on behalf of Board of Directors

**Hardik B Patel**

Palakkad.  
27-07-2021

DIN 00590663  
Chairman

# Annexure - C TO THE DIRECTORS' REPORT

## Annual Report on Corporate Social Responsibility activities:

1. Brief outline on CSR Policy of the Company : 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 / underprivileged sections of the society.

2. The Composition of CSR Committee

Sl. No.	Name of the Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Bharat J Dattani	Chairman	4	4
2.	Mr. G. Krishna Kumar	Member	4	4
3.	Mr. Patrick M Davenport	Member	4	4

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company : [http://www.rubfila.com/Aboutus/CSR Policy](http://www.rubfila.com/Aboutus/CSR%20Policy)  
<http://www.rubfila.com/investors>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : N.A
5. Details of the amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules,2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set off from preceding financial years (in Rs.)	Amount required to be set off for the financial year, if any (in Rs.)
1.	2017 - 2018	Nil	Nil
2.	2018 - 2019	Nil	Nil
3.	2019 - 2020	Nil	Nil
	TOTAL		

6. Average Net profit of the company as per section 135(5) : Rs. 2,530.31 Lacs
7. (a) Two percent of average net profit of the company as per section 135 (5) : Rs. 50.61 Lacs
- (b) Surplus arising out of the CSR projects of programmes or activities of the previous financial years : Nil
- (c) Amount required to be set off for the financial year, if any : Nil
- (d) Total CSR obligation for the financial year : Rs.50.61 Lacs
8. (a) CSR amount spent or unspent for the financial year : Nil
- (b) Details of CSR amount spent against ongoing projects for the financial year : Nil
- (c) Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	FHC, Kanjikode	Healthcare & Sanitation	Yes	Kerala	Palakkad	0.02	Yes	-	-
2.	Vivekananda Medical Mission, Agali.	Healthcare & Sanitation	Yes	Kerala	Palakkad	0.10	Yes	-	-
3.	Pushpathur GP	Healthcare & Sanitation	Yes	Tamilnadu	Dindigul	0.50	Yes	-	-
4.	Pushpathur GP	Healthcare & Sanitation	Yes	Tamilnadu	Dindigul	1.00	Yes	-	-
5.	Udumalpet	Eradicating hunger, poverty etc.	Yes	Tamilnadu	Tirupur	1.00	Yes	-	-
6.	FHC, Kanjikode	Healthcare & Sanitation	Yes	Kerala	Palakkad	0.02	Yes	-	-
7.	Palakkad	Promoting Education	Yes	Kerala	Palakkad	0.50	Yes	-	-
8.	Palakkad	Promoting Education	Yes	Kerala	Palakkad	0.33	Yes	-	-
9.	Kanjikode	Promoting Education	Yes	Kerala	Palakkad	0.36	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
10.	Karma Charitable Trust, Palakkad	Support for economically backward people	Yes	Kerala	Palakkad	1.51	Yes	-	-
11.	FHC, Kanjikode	Healthcare & Sanitation	Yes	Kerala	Palakkad	0.02	Yes	-	-
12.	Thenkurissi	Eradicating hunger, poverty etc.	Yes	Kerala	Palakkad	0.25	Yes	-	-
13.	Akshayashakthi Welfare Association	Promoting Education	Yes	Maharashtra	Thane	10.00	Yes	-	-
14.	Cancer Detection Centre	Healthcare & Sanitation	Yes	Kerala	Palakkad	6.01	Yes	-	-
15.	FHC, Kanjikode	Healthcare & Sanitation	Yes	Kerala	Palakkad	0.86	Yes	-	-
16.	Kalpathy	Support for economically backward people	Yes	Kerala	Palakkad	0.02	Yes	-	-
17.	Kalpathy	Support for economically backward people	Yes	Kerala	Palakkad	0.08	Yes	-	-
18.	Cancer Detection Centre	Healthcare & Sanitation	Yes	Kerala	Palakkad	0.27	Yes	-	-
19.	KCP HSS, Kavasserry	Promoting Education	Yes	Kerala	Palakkad	0.67	Yes	-	-
20.	Jnaneswari Educational Society	Promoting Education	Yes	Kerala	Palakkad	0.25	Yes	-	-
21.	Devashrayam Charitable Society	Education to the differently abled	Yes	Kerala	Palakkad	3.35	Yes	-	-
22.	Kasaba Police Station	Healthcare & Sanitation	Yes	Kerala	Palakkad	1.84	Yes	-	-
23.	Cancer Detection Centre	Healthcare & Sanitation	Yes	Kerala	Palakkad	5.32	Yes	-	-
24.	Cancer Detection Centre	Healthcare & Sanitation	Yes	Kerala	Palakkad	1.78	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
25.	NIPM	Promoting Education	Yes	Kerala	Palakkad	0.05	Yes	-	-
26.	Baby John Foundation	Support for economically backward people	Yes	Kerala	Palakkad	2.00	Yes	-	-
27.	Karma Charitable Trust	Support for economically backward people	Yes	Kerala	Palakkad	1.92	Yes	-	-
28.	Galaxy Arts & Sports Club	Promoting Education	Yes	Kerala	Palakkad	0.30	Yes	-	-
29.	Chandranagar Co-op House Building Society	Healthcare & Sanitation	Yes	Kerala	Palakkad	0.47	Yes	-	-
30.	Cancer Detection Centre	Healthcare & Sanitation	Yes	Kerala	Palakkad	0.11	Yes	-	-
31.	Cancer Detection Centre	Healthcare & Sanitation	Yes	Kerala	Palakkad	2.25	Yes	-	-
32.	Devashrayam Charitable Society	Education to the differently abled	Yes	Kerala	Palakkad	7.84	Yes	-	-
33.	Janani Educational & Cultural Charitable Society	Support for economically backward people	Yes	Kerala	Palakkad	2.00	Yes	-	-

- (d) Amount spent on Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year : Rs.52.99 Lacs
- (g) Excess amount for set off, if any : Nil
9. (a) Details of Unspent CSR amount for the preceding three financial years : Nil
- (b) Details of CSR amount spent in the financial year for ongoing Projects of the preceding financial year(s) : Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or

acquired through CSR spent in the financial year ( asset wise details)	:	Nil
(a) Date of creation or acquisition of the capital asset(s).	:	N.A.
(b) Amount of CSR spent for creation or acquisition of capital asset	:	N.A.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	:	N.A.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset )	:	N.A.
11. Specify the reason(s), if the Company has failed to spend two percent of of the average net profit as per Section 135 (5).	:	N.A

For and on behalf of Board of Directors

**G. Krishna Kumar**

DIN 01450683  
Managing Director

**Bharat J Dattani**

DIN 00608198  
Chairman, CSR Committee

Palakkad  
27-07-2021



## 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  
(Subsidiary Company)
- a) Nature of contracts / arrangements / transactions : Sale/ Purchase of Materials
- (b) Duration of the contracts / arrangements / transactions : 01.04.2020 to 31.03.2021
- (c) Salient terms of the contracts or arrangements or transactions including the value, if any, : Sale of Materials : Rs. 4.56 Lacs  
: Purchase of Material : Rs. 2.39 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. Hardik Bharat Patel  
(Promoter)
- (f) Nature of contracts / arrangements / transactions : Preferential allotment of Equity Shares
- (g) Duration of the contracts / arrangements / transactions : 24-09-2020 to 31.03.2021
- (h) Salient terms of the contracts or arrangements or transactions including the value, if any, : Acquired 1275000 Equity Shares of the Company  
for a consideration of Rs.427.12 Lacs
- (i) Date(s) of approval by the Board : 24-09-2020
- (j) Amount paid as advances, if any : Nil

- (3) Name(s) of the related party and nature of relationship : Mr. Ruchit Bharat Patel  
(Promoter)
- (k) Nature of contracts / arrangements / transactions : Preferential allotment of Equity Shares
- (l) Duration of the contracts / arrangements / transactions : 24-09-2020 to 31.03.2021
- (m) Salient terms of the contracts or arrangements or transactions including the value, if any, : Acquired 1275000 Equity Shares of the Company for a consideration of Rs.427.12 Lacs
- (n) Date(s) of approval by the Board : 24-09-2020
- (o) Amount paid as advances, if any : Nil
- (4) Name(s) of the related party and nature of relationship : Mr. Bharat J Patel  
(Promoter)
- (p) Nature of contracts / arrangements / transactions : Preferential allotment of Equity Shares
- (q) Duration of the contracts / arrangements / transactions : 06-01-2021 to 31.03.2021
- (r) Salient terms of the contracts or arrangements or transactions including the value, if any, : Acquired 1125000 Equity Shares of the Company for a consideration of Rs.478.12 Lacs
- (s) Date(s) of approval by the Board : 06-01-2021
- (t) Amount paid as advances, if any : Nil
- (5) Name(s) of the related party and nature of relationship : Mrs. Minal B Patel  
(Promoter)
- (u) Nature of contracts / arrangements / transactions : Preferential allotment of Equity Shares
- (v) Duration of the contracts / arrangements / transactions : 06-01-2021 to 31.03.2021
- (w) Salient terms of the contracts or arrangements or transactions including the value, if any, : Acquired 1125000 Equity Shares of the Company for a consideration of Rs.478.12 Lacs
- (x) Date(s) of approval by the Board : 06-01-2021
- (y) Amount paid as advances, if any : Nil

For and on behalf of Board of Directors  
**Hardik B Patel**

Palakkad  
27-07-2021

DIN 00590663  
Chairman

Form No. MR-3

# SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

To  
The Members  
**Rubfila International Limited**

New Industrial Development area, 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, 2021 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, 2021 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, 2018; and
  - (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; and
  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, Laws etc. mentioned above except:

1. Regulation 17 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Where the chairperson of the Board of Directors is a non-executive director, at least one-third of the Board of Directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of independent directors. Half of the Board of Directors of the Company does not comprise of Independent Directors for the period upto 10.09.2020.
2. Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. The Company had appointed an Additional Independent Director who had attained age of seventy five years without passing a Special Resolution.
3. The Company has not submitted the disclosures of related party transactions in compliance to the Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30.09.2020 within the prescribed time.
4. The Company has submitted the compliance report on corporate governance for the quarter ended 30.06.2020 after fifteen days from the close of the quarter;
5. The auditor of the Company is not peer reviewed as per Regulation 33 (1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. Pursuant to Section 149 (6) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the details of registration of two Independent Directors with the data bank of the Indian Institute of Corporate Affairs was not made available for verification.

We further report that:

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

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

All decisions of the Board were unanimous and the same 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 and allotted 25,50,000 equity shares on preferential basis to the 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 Annual General Meeting held on 10th September, 2020 and the Board resolution was passed in the meeting of Board of Directors held on 24th September, 2020.
2. The Company has issued 45,00,000 convertible warrants on preferential basis to the 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 06th January, 2021 has converted 22,50,000 convertible warrants into equal number of equity shares of the Company.

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

- (i) Public / Right / issue of debentures / sweat equi-

ty 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

27.07.2021

UDIN: F003067C000696650

## 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 2021 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  
27.07.2021  
UDIN: F003067C000696650

Form No. MR-3

# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31.03.2021**

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

To  
The Members  
**Premier Tissues (India) Limited**  
No 41, 1st Floor, Leelavathi Mansion  
6th Cross, Margosa Main Road  
Malleswaram, Bangalore  
Karnataka - 560003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Premier Tissues (India) Limited [CIN: U85110KA1998PLC023512]** (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 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, 2021 complied with the statutory provisions listed hereunder and also that the Com-

pany 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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) 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;

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

In respect of other laws specifically applicable to the Company we have relied on information / records produced by the Company during the course of our audit and the reporting is limited to that extent.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive 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 there were no instances of:

- (i) Public / Preferential issue of shares/ 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/-

**Lekha Ashok**

Partner

FCS: 8152

CP No: 9011

Bangalore

27.07.2021

UDIN: F008152C000696807



## Annexure A'

To  
The Members  
**Premier Tissues (India) Limited**  
No 41, 1st Floor, Leelavathi Mansion  
6th Cross, Margosa Main Road  
Malleswaram, Bangalore  
Karnataka - 560003

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 2021 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

Bangalore  
27.07.2021  
UDIN: F008152C000696807

Sd/-  
**Lekha Ashok**  
Partner  
FCS: 8152  
CP No: 9011

# 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, 2021 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	CHITRA RAMAKRISHNAN*	01560585	13/02/2015
8	SAMIR KIRITKUMAR SHAH	01714717	26/09/2015
9	DURAI SWAMY GUNASEELA RAJAN	00303060	10/09/2020

\*The details of registration of Independent Directors with the data bank of the Indian Institute of Corporate Affairs were not made available for verification.

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

27.07.2021

UDIN: F003067C000696650

# REPORT ON CORPORATE GOVERNANCE

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

'Corporate Governance' is all about the way in which the corporate entities are governed in an ethical and fair manner following the rules in spirit and letter considering the interests of all stakeholders. As a company, Rubfila believes in a culture of ethical behavior, trusteeship, transparency and accountability.

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021 in terms of regulations 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('The Listing Regulations') as amended from time to time.

## 2. BOARD OF DIRECTORS

- (a) Composition of the Board and category of Directors  
As on 31st March, 2021, the Company's Board consists of nine 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, 2021 are given below:

Name	Category of Directors	No. of shares held as on 31st March, 2021	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)	8944406	Nil	Nil	Nil	6	4	Yes
Mr. G. Krishna Kumar (DIN 01450683)	Managing Director Executive	58571	Nil	Nil	Nil	6	6	Yes
Mr. Bharat J. Dattani (DIN 00608198)	Non-Executive Non- Independent (Promoter)	Nil	Nil	Nil	Nil	6	6	No
Mr. Dhiren S Shah (DIN 01149436)	Non-Executive & Non Independent (Promoter)	137691	Nil	Nil	Nil	6	6	No
Mr. Samir K Shah (DIN 01714717)	Non-Executive & Independent	Nil	Nil	Nil	Nil	6	3	Yes
Mr. Patrick M Davenport (DIN 00962475)	Non-Executive & Independent	Nil	Nil	Nil	Nil	6	6	No
Mrs. R. Chitra (DIN 01560585)	Non-Executive & Independent	Nil	Nil	Nil	Nil	6	6	Yes
Mr. S. H. Merchant (DIN 00075865)	Non-Executive & Independent	13340	1	Nil	Nil	6	6	Yes
Mr. D.G. Rajan (DIN 00303060)	Non-Executive & Independent	15900	6	1	3	6	5	No

\* Mr.Bharat J Patel expired on 29/05/2021

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. 6 (six) Board Meetings were held during the Financial Year 2020-21 on 26/06/2020, 03/08/2020, 24/09/2020, 10/11/2020, 06/01/2021, 10/02/2021.

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 31.03.2021. 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 001 100361) *	Finance / Economics /Governance / Compliance
2	Mr. G Krishna Kumar (DIN 01450683)	Project / Technology / Operations/ Management
3	Mr. Bharat J Dattani (DIN 00608198)	Finance / Economics /Governance / Compliance
4	Mr. Dhiren S Shah (DIN 01149436)	Finance / Economics /Governance / Compliance
5	Mr. D.G. Rajan (DIN 00303060)	Finance / Economics /Governance / Compliance
6	Mr. Patrick M Davenport (DIN 00962475)	Finance / Economics /Governance / Compliance
7	Mrs. R. Chitra (DIN 01560585)	Economics /Governance / Social Work
8	Mr. S. H. Merchant (DIN 00075865)	Legal / Economics /Governance / Compliance
9	Mr. Samir K Shah (DIN 01714717)	Finance / Economics /Governance / Compliance

\* Mr.Bharat J Patel expired on 29/05/2021

### 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 31.03.2021 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. D.G. Rajan as Chairman, Mr. Patrick M. Davenport Mr. Dhiren S. Shah and Mr. Samir K. Shah.

All members of the Audit Committee have accounting and financial management expertise. 4 Audit Committee Meetings were held during the period under review viz., 26/06/2020, 03/08/2020, 10/11/2020 and 10/02/2021. 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. D. G. Rajan
No. of Meetings attended	4	4	1	3

Name of Director	Attendance of Directors			
	26.06.2020	03.08.2020	10.11.2020	10.02.2021
Mr. Patrick M. Davenport	√	√	√	√
Mr. Dhiren S. Shah	√	√	√	√
Mr. Samir K. Shah	x	x	x	√
Mr. D. G. Rajan	x	√	√	√

#### 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) 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;
- (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of our Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of our Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) 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;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) 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;
- (xvi) 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;
- (xvii) 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;
- (xviii) To review the functioning of the whistle blower mechanism;
- (xix) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) 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;
- (xxi) To review the follow up action on the audit observations of the C&AG audit;
- (xxii) Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors; and
- (xxiii) 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; 26/06/2020, 03/08/2020, 10/11/2020 and 10/02/2021. 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	4	4	1

Name of Director	Attendance of Directors			
	26/06/2020	03/08/2020	10/11/2020	10/02/2021
Mr. Patrick M. Davenport	√	√	√	√
Mr. Dhiren S. Shah	√	√	√	√
Mr. Samir K. Shah	x	x	x	√

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 2020-21 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	1
3.	Number of Investor complaints redressed during the year	1
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 00608198) as the Chairman and Mr. G. Krishna Kumar (DIN 01450683), Mr. Patrick M Davenport (DIN 00962475) 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 four times, viz; 26/06/2020, 03/08/2020, 10/11/2020 and 10/02/2021. Attendance of CSR Committee meetings is as below:

Name of Director	Mr. Bharat J. Dattani	Mr. Patrick M Davenport	Mr. G. Krishna Kumar
No. of Meetings attended	4	4	4

Name of Director	Attendance of Directors			
	26/06/2020	03/08/2020	10/11/2020	10/02/2020
Mr. Bharat J. Dattani	√	√	√	√
Mr. Patrick M Davenport	√	√	√	√
Mr. G. Krishna Kumar	√	√	√	√

### 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. H. Merchant as Members. Company Secretary acts as the Secretary and Compliance Officer to the Committee.

During the period under review the Committee met four times, viz; 26/06/2020, 03/08/2020, 10/11/2020 and 10/02/2021. Attendance of Nomination and Remuneration Committee is as below:

Name of Director	Mr. Patrick M. Davenport	Mr. Bharat J. Patel	Mr. S. H Merchant
No. of Meetings attended	4	3	4

Name of Director	Attendance of Directors			
	26/06/2020	03/08/2020	10/11/2020	10/02/2020
Mr. Patrick M Davenport	√	√	√	√
Mr. Bharat J Patel	√	√	√	x
Mr. S. H Merchant	√	√	√	√

### Terms of Reference

- (1) 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;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) 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.
- (5) 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 following criteria:

- (i) Understanding and knowledge of the market in which the Company is operating.
- (ii) Ability to appreciate the working of the Company and the challenges it faces.
- (iii) Attendance of meeting.
- (iv) Extend of participation and involvement in the meetings.
- (v) 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 2020-21	Sitting fees (for Board and its committees)
Mr. Bharat J Patel	Chairman	-	1,10,000
Mr. G. Krishna Kumar	Managing Director	88,16,454	0
Mr. Thomas Carlton Thompson 3rd (Tommy Thompson)	Director	-	40,000
Mr. Bharat J. Dattani	Director	-	1,65,000
Mr. Dhiren S Shah	Director	-	1,95,000
Mr. Samir K Shah	Independent Director	-	1,00,000
Mr. Patrick M Davenport	Independent Director	-	1,95,000
Mr. D. G. Rajan	Independent Director	-	1,55,000
Mrs. R. Chitra	Women Director (Independent Director)	-	1,65,000
Mr. S. H. Merchant	Independent Director	-	1,65,000

#### 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
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
2019-20	AGM	Video Conferencing	10/09/2020	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
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.
10-09-2020	Issue of Equity Shares on Preferential basis to Promoters
10-09-2020	Appointment of Mr. D. G. Rajan as an Independent Director
10-09-2020	Reappointment of Mr. Samir K Shah as an Independent Director

## MEANS OF COMMUNICATION

- Quarterly unaudited and annual audited financial results of the Company were published in "Financial Express" (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](http://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/investors](http://www.rubfila.com/investors).

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 mandatory requirements laid down under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- h) The Company has complied with all applicable requirements of Regulations 17 to 27 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.
- i) 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/>.
- j) Compliance certificate on Corporate Governance provided by the Company Secretary in Practice confirming the compliance with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015, is annexed herewith
- k) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years: Nil

**6. GENERAL SHAREHOLDER INFORMATION:**

- i) Annual General Meeting Date : 24th August, 2021
- ii) Venue of meeting : Video Conferencing (VC) / Other Audio Visual Means (OAVM)
- iii) Time of meeting : 11.00 A.M.
- iv) Financial Year : 2020 - 21
- v) Book closure date : 18th August, 2021 to 24th August, 2021  
(both days inclusive)
- vi) Dividend recommended for the year : 26%
- 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 2019-20 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 - 2020	29.40	23.00
May - 2020	29.70	24.50
June - 2020	36.65	26.60
July - 2020	39.50	31.40
August -2020	45.60	31.70
September -2020	43.50	36.20
October - 2020	43.85	35.50
November -2020	55.50	37.10
December - 2020	62.50	47.00
January - 2021	64.75	52.00
February - 2021	63.80	52.95
March - 2021	68.75	55.50

**k) Distribution of shareholding:**

Sl. No.	Category of shares	No. of Holders	% to Holders	No. of Shares	% to Shares
1	Upto - 500	24722	89.97	3094354	5.70
2	501 - 1000	1286	4.68	1045706	1.93
3	1001 - 2000	622	2.26	957707	1.76
4	2001 - 3000	229	0.83	581116	1.07
5	3001 - 4000	119	0.43	434230	0.80
6	4001 - 5000	125	0.45	593567	1.09
7	5001 - 10000	163	0.59	1214273	2.24
8	10001 and Above	211	0.77	46346576	85.40
	Total	27477	100.00	54267529	100.00

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

The company has arranged agreements with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) for Dematerialization of shares through Integrated Registry Management Services Private Limited. The Shareholding Pattern as on 31/03/2021 is as follows:

Category	No. of Shares held	% of Shareholding
Promoters	33996888	62.65
Mutual Funds/ UTI / Fin. Institutions / Banks	Nil	Nil
Bodies Corporate	Nil	Nil
Public Individuals	20270641	37.35
Total	54267529	100.00

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 / Dematerialization 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	4.00
Payment to all the entities in the Statutory Auditors network firms	-
Total	4.00

#### 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 - 2013	12
2013 - 2014	12
2014 - 2015	15
2015 - 2016	10
2016 - 2017	15
2017 - 2018	20
2018 - 2019	20
2019 - 2020	24

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 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](http://www.rubfila.com)). Shareholders who have not encashed their dividend warrants for any of the years 2013-14 to 2019-2020 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, 2021.**

Plant Locations:

- i) RUBFILA INTERNATIONAL LTD  
NIDA, Kanjikode, Palakkad,  
Kerala – 678 621
- ii) RUBFILA INTERNATIONAL LTD  
371/3, Swaminathapuram,  
Palani Main Road, Madathukulam (po),  
Palani Taluk, Dindigul District,  
Tamil Nadu – 642 113

Any query on Annual Report may please be forwarded to :

The Secretarial Department  
RUBFILA INTERNATIONAL LTD  
NIDA, Kanjikode,  
Palakkad, Kerala – 678 621  
Tel : (0491) 2567261 – 05  
Fax : (0491) 2567260  
E-mail : [rubfila@vsnl.com](mailto: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 af-

firmed 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 2020-21 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

## CERTIFICATE ON CORPORATE GOVERNANCE

To the members of  
**RUBFILA INTERNATIONAL LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by RUBFILA INTERNATIONAL LIMITED for the year ended 31st March, 2021 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.
2. 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.
3. 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 certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2021.
4. 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  
27.07.2021  
UDIN: F003067C000696650

# MANAGEMENT DISCUSSION AND ANALYSIS

Rubfila is the largest manufacturer of rubber threads in India catering to the needs of elastic tape industry, an ancillary segment for the inner wear industry. In the year 2020 – 21, the Company posted a sales turnover of Rs.27013.09 Lacs. This is the highest turnover of the company in the history, a feat it achieved in the year when the whole economy went through turbulent times due to corona virus. Rubfila is proud that it played a major role in the fight against corona with its rubber threads finding a place in millions of masks, PPE kits, catheters used all around the world. Though the year started with no production in the first month, the company could recoup the operations and went on to achieve the highest turnover in the history.

## A) INDUSTRY STRUCTURE AND DEVELOPMENT:

### Market Scenario :

During the year 2020 – 21, despite the uncertainties posed by the pandemic, Rubfila maintained its position as a trusted and reliable supplier for the elastic industry and consolidated its position too in the domestic and international markets. The crisis was compounded by worldwide disruptions in shipping leading to uncertainties in schedules and abnormal hikes in freight costs. The company not only retained its customer base built over more than two decades, it also made further inroads into the domestic and international markets during the period.

Rubfila achieved another milestone during the year with the commissioning of the second line at the Tamil Nadu unit increasing the installed capacity by 2500 MT. The total capacity currently stands at 20000 MT p.a and is the

largest in India.

Though the sales in the first Quarter of the year suffered due to lockdown in India as well as elsewhere, operations got normalised from the second Quarter and there was increased demand from the domestic and international markets. The demand rose sharply in the domestic market by November helping to book large volume of orders by the time. Exports markets also showed a sharp jump by the second half of the year. There was a 75% spike in exports business during the year, irrespective of major bottlenecks like container shortage affecting shipment schedules globally. With the addition of the second production line in Tamil Nadu Unit, the company could achieve impressive production and sales in the 4th Quarter.

Latex price is a major factor which influence the business prospects of the company and during the second half of the year, international latex prices moved almost at tandem with the Indian prices. This led to hike in rubber thread prices by South East Asian companies and consequentially, imports of threads to India dropped leading to more demand from the domestic market. New customers were added in the Latin American and Europe markets where Rubfila had built a good reputation over the past two and half decades. It is to be mentioned that geo-political factors as an aftermath of Covid had made many international garment buyers to shift garment orders from China to India and other countries and this has also contributed to more demand in India and some other countries. With the company planning to expand capacity further, it is hopeful of garnering a higher market share in the world rubber thread market in the coming years.

**OPPORTUNITIES AND THREATS:****Strengths of the Company are:**

1. Largest manufacturing capacity for rubber threads in the country.
2. Reputed brand name.
3. A good network of regional sales offices in the major textile clusters of the country.
4. A reputation in the international market built over a period of more than two and a half decades.
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 as an alternate material.

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

Premier Tissues India Ltd, (PTIL) the wholly-owned Subsidiary of the Company operates in the hygiene paper segments. Over two decades of its existence, it had created a good brand equity for its products in the market. After Rubfila took over the company, it has streamlined the operations and plans to leverage the brand equity of the products into an elevated business performance.

Premier has initiated efforts to extend the reach of its products to a larger geography of locations in the country by appointing more distributors. The company has two brands, Premier and Royal, catering to two segments of the market and an extended distribution network will help the company to increase the sales from a larger number of locations in the country.

Rubfila has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available, up to

the date of approval of these financial statements for the year ended March 31, 2021. The Company has taken necessary steps to cover the impact of COVID-19 on the operations.

**OUTLOOK :****Rubfila International Ltd**

Rubfila has been on a steady growth path and had expanded capacity by 300% over the past eight-year period and is optimistic of its journey forward, though challenges remain in the industry. Rubber threads industry in India faces headwinds due to the fact that the Indian latex prices generally remain higher than the international prices. The largest players in the business located in Malaysia and Thailand enjoy the benefits of lower latex prices and better business environment and this is a major threat for the Indian players of the industry.

Irrespective of the challenges in the market, the company is confident of cementing its place further in the world market for rubber threads. It plans to tap into a higher share of international market through further expansion of capacity at the Tamil Nadu plant.

**Premier Tissues India Ltd**

India has one of the lowest per capita consumption of tissue paper products in the world. With the increase in personal income and exposure to higher standards of living, tissue paper products for daily use is gaining traction in India too. Premier with its solid brand positioning in the market is looks forward to tap into this growth in the future.

Premier has been strong in its distribution network in south India, but gaps existed in the sales network in other parts of the country. Currently, the company is charting out a growth plan in sales network by appointing more distributors who will be complimented by a competent sales team.

Premier has overhauled the packaging of its leading products in the past on year which was well accepted in the market. It is also progressively launching new variants of different hygiene products, an act which the company believes will help add more sales.

In addition to hygiene paper products, Premier plans to tap into the home care segment products which find huge traction in households, particularly in the aftermath of the Covid pandemic. The products shortlisted are dish wash,

floor cleaning liquids, toilet cleaners, detergents etc. which all belong to the hygiene platform and is complimentary in nature to the current range of products. Premier will tap into its experience over 20 years in handling consumer products, distribution channels and retailers to launch and make this product available to a large segment of customers.

#### **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:**

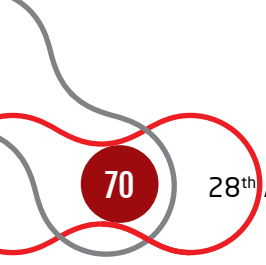
Please refer Board Report on performance review.

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

Rubfila had 145 permanent employees as on March 31, 2021. It is generally said that a company is as good or bad as the people who work for it. Rubfila's biggest strength is its committed employees who work as a team for its progress. The employees with expertise in various functions make a real difference in helping the company stand apart in the market and industry. Without their support, the company could not have scaled any heights and the management is thankful to them for that.

#### **E) RISK MANAGEMENT**

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 Committee assists the Board in its oversight of various risks, analyze risk exposure related to specific issues and review the risk profile.



# Standalone Financial Statement

- 71 Independent Auditors Report
- 80 Balance Sheet
- 82 Statement of Profit & Loss
- 83 Statement of changes in Equity
- 85 Cash flow Statement
- 87 Notes forming part of the  
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 2021, 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 31 March 2021, 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, 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>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 -39</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> <ul style="list-style-type: none"> <li>● 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.</li> <li>● Obtained an opinion from expert on the possible outcome of the pending litigation in respect of the financial impact of the various outcomes.</li> <li>● Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;</li> </ul>
<p><b>Key Audit Matter</b></p> <p><b>Provision for Contingencies</b></p> <p>The management is required to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, general legal, proceedings and other eventualities arising in the regular course of business. The Company is also subject to complexities arising from uncertain direct / indirect tax positions on deductibility of expenses.</p> <p>The key judgement lies in determining the likelihood and magnitude of the possible cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities. By nature, these are complex and include many variables. Refer note -17</p>	<p><b>How our audit addressed the key audit matter</b></p> <p><b>Our procedures included, but were not limited to the following:</b></p> <ul style="list-style-type: none"> <li>● We tested the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions.</li> <li>● We inquired the status in respect of significant provisions with the Company’s internal tax and legal team.</li> <li>● We involved our subject matter experts, wherever required, to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</li> <li>● We challenged the assumptions and critical judgements made by the Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company’s advisors and assessing whether there was an indication of management bias.</li> </ul>

### 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 finan-

cial 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 financial 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 Stan-**

### **alone 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 in the standalone financial statements 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 the 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**

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.

- (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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (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 31 March 2021 on its financial

position in its standalone financial statements  
- Refer Note 39.1 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 31 March 2021.

(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.

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

Thiruvananthapuram  
25 May 2021

**Jim Cyriac**  
(Partner)  
Mem No. 230039.

## Annexure A to the Independent Auditors' Report of even date on the financial statements of Rubfila International Limited

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 31 March 2021, 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 except for the extent of land mentioned in note 2.1 - 'Property, plant and equipment' are held in the name of the Company.
- 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)
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts

- payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of customs, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- b. 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.
- c. 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.
- viii) 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. 37.50/- has been allotted during the year thereby raising Rs.956.25 Lakhs and 25.5 lakhs shares in the year 2020-2021 at a premium of Rs.28.50 has been allotted during the year raising Rs. 854.25 Lakhs. Other than this, the company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
- ix) 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.
- x) 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.
- xi) 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.
- xii) 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.
- xiii) 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.
- xiv) 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.
- xv) 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.

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

Thiruvananthapuram  
25 May 2021

**Jim Cyriac**  
(Partner)  
Mem No. 230039.

# Annexure B to The Independent Auditors' Report - 31 March 2021

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 31 March 2021 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 31 March 2021, 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 Chartered 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 sys-

tem 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  
25 May 2021

Mem No. 230039.  
UDIN:



## Standalone Balance Sheet as at 31st March, 2021

in ₹ Lakhs

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	10,222.41	9,419.80
Capital work-in-progress	2	497.21	6.65
Other Intangible Asset	2	2.94	1.53
Goodwill		-	-
Investment property	3	128.15	128.15
Financial assets			
Investments	4	3,200.14	3,200.14
Loans (non -current)	5	55.13	70.11
Other financial assets	6	186.49	157.49
Other non -current Asset	7	629.76	612.27
		<b>14,922.22</b>	<b>13,596.14</b>
<b>Current assets</b>			
Inventories	8	1,294.83	993.47
Financial assets			
Trade Receivables	9	2,993.57	3,138.19
Cash and cash equivalents	10	674.10	268.25
Other bank balances	11	37.20	29.81
Loans (current)	12	3,130.00	500.00
Other financial assets	13	384.80	441.04
Other current assets	14	451.15	423.35
		<b>8,965.65</b>	<b>5,794.11</b>
<b>Total Assets</b>		<b>23,887.87</b>	<b>19,390.25</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	15	2,713.38	2,473.38
Other equity (Reserves & Surplus)	16	16,566.47	12,872.20
		<b>19,279.85</b>	<b>15,345.58</b>

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Provisions (non-current)	17	938.06	779.52
Deferred tax liabilities (Net)	31	416.03	378.82
Other non-current liabilities	18	1.30	0.50
		<b>1,355.39</b>	<b>1,158.84</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables due to:			
Micro and small enterprises	19	1.68	3.33
Other than micro and small enterprises		2,096.92	1,598.99
Other financial liabilities	20	189.14	928.42
Current tax liabilities (Net)	21	24.28	11.27
Other current liabilities	22	671.54	266.15
Provisions (current)	23	269.08	77.68
		<b>3,252.63</b>	<b>2,885.84</b>
<b>Total Equity and Liabilities</b>		<b>23,887.87</b>	<b>19,390.26</b>

As per our reports attached.

For **CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 0140335

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

Place : Thiruvananthapuram  
Date : 25th May 2021

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

**Dhiren S Shah**                      **G.Krishna Kumar**  
DIN 1149436                          DIN 01450683  
Director                                  Managing Director

**N.N. Parameswaran** AESPP2437E  
Chief Finance Officer & Company Secretary

Place : Palakkad  
Date : 25th May 2021

## Standalone Statement of Profit and Loss for year ended 31 March 2021

in ₹ Lakhs

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from Operations	24	27,005.13	22,770.61
II Other Income	25	181.29	222.55
<b>III Total Income (I + II)</b>		<b>27,186.42</b>	<b>22,993.17</b>
<b>IV Expenses</b>			
a. Cost of Materials Consumed	26	18,436.70	17,146.37
b. Purchase of Stock in Trade		-	-
c. Changes in inventories of Finished Goods Work-in-Progress and Stock in Trade	27	79.61	(114.90)
d. Employee Benefit Expense	28	1,315.93	1,062.58
e. Finance Costs	29	3.55	-
f. Depreciation and Amortisation Expense	2	496.19	341.89
g. Other Expenses	30	2,829.73	2,559.65
<b>Total Expenses</b>		<b>23,161.72</b>	<b>20,995.59</b>
<b>V Profit before Exceptional Items &amp; Tax (III-IV)</b>		<b>4,024.70</b>	<b>1,997.58</b>
VI Exceptional Items		-	-
<b>VII Profit before Tax (V-VI)</b>		<b>4,024.70</b>	<b>1,997.58</b>
<b>VIII Tax Expense</b>			
(1) Current Tax		962.02	450.91
(2) Deferred Tax	31	37.22	42.92
<b>IX Profit for the year (VII-VIII)</b>		<b>3,025.46</b>	<b>1,503.75</b>
<b>X Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss (net)	32	-92.15	9.28
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		23.19	
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>2,956.50</b>	<b>1,513.03</b>

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
XII Paid-Up Equity Share Capital (Face Value of Rs.5/-)		<b>2,713.38</b>	<b>2,473.38</b>
XIII Reserves Excluding Revaluation Reserves		<b>16,566.47</b>	<b>12,872.20</b>
XIV <b>Earnings per share (of ₹ 5/- each):</b>			
Basic & Diluted in Rs, Ps	33	<b>5.76</b>	<b>3.19</b>
Diluted in Rs, Ps		<b>5.71</b>	<b>3.14</b>
XV Net Worth		<b>19,279.85</b>	<b>15,345.58</b>

As per our reports attached.

For **CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 0140335

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

Place : Thiruvananthapuram  
Date : 25th May 2021

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

**Dhiren S Shah**  
DIN 1149436  
Director

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

**N.N. Parameswaran** AESPP2437E  
Chief Finance Officer & Company Secretary

Place : Palakkad  
Date : 25th May 2021

## Standalone Statement of Changes in Equity for the year ended 31 March 2021

### A. Equity Share Capital

in ₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Balance as at the beginning of the year	70000000	3,500.00	70000000	3,500.00
Changes in Authorised Equity Share capital during the year	0	-	0	-
Balance as at the end of the year	70000000	3,500.00	70000000	3,500.00
<b>Issued Share Capital</b>				
Balance as at the beginning of the year	49467529	2,473.38	47217529	2,360.88
Changes in Equity Share capital during the year	4800000	240.00	2250000	112.50
Balance as at the end of the year	54267529	2,713.38	49467529	2,473.38

**B. Other Equity****As at 31 March 2021**

in ₹ Lakhs

Particulars	Share Application Money pending allotment	Reserves & Surplus			Other Comprehensive Income	Total
		Securities Premium	General Reserves	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the year	239.06	2,543.75	493.24	9,649.82	(53.67)	12,872.20
Profit/(Loss) for the Year	-	-	-	3,025.40	-	3,025.40
Dividends paid including taxes	-	-	-	(593.61)	-	(593.61)
Transfer to General Reserve	-	-	147.82	(147.82)	-	-
Preferential Issue of Shares	(239.06)	1,570.50	-	-	-	1,331.44
Other Comprehensive Income	-	-	-	-	(68.96)	(68.96)
<b>Balance at the end of the year</b>	-	<b>4,114.25</b>	<b>641.06</b>	<b>11,933.79</b>	<b>(122.63)</b>	<b>16,566.47</b>

**As at 31 March 2020**

in ₹ Lakhs

Particulars	Share Application Money pending allotment	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	-	-	-	(569.24)	-	(569.24)
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 at the end of the year</b>	<b>239.06</b>	<b>2,543.75</b>	<b>493.24</b>	<b>9,649.82</b>	<b>(53.67)</b>	<b>12,872.20</b>

As per our reports attached.

For **CYRIAC & ASSOCIATES**

Chartered Accountants

Firm No : 0140335

**Jim Cyriac** Partner

Membership No : 230039;

Place : Thiruvananthapuram

Date : 25th May 2021

For and on behalf of the Board of Directors

**RUBFILA INTERNATIONAL LTD****Dhiren S Shah**

DIN 1149436

Director

**G.Krishna Kumar**

DIN 01450683

Managing Director

**N.N. Parameswaran** AESPP2437E

Chief Finance Officer &amp; Company Secretary

Place : Palakkad

Date : 25th May 2021

## Standalone Cash flow statement for the year ended 31 March 2021

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	4,024.70	1,997.57
<i>Adjustments for:</i>		
Depreciation and amortisation expenses of Property ,	496.19	341.89
Finance costs	3.55	-
Provision for doubtful debts/ advances ( Net)	25.69	5.28
Gain on disposal of property , plant and equipment	-	(0.19)
Fair value adjustment of a contingent consideration	-	-
Interest income	(136.69)	(184.33)
	<b>388.75</b>	<b>162.65</b>
Operating profit before working capital changes	4,413.45	2,160.22
<i>Adjusted for</i>		
Trade & other receivables	(2,253.02)	549.59
Inventories	(301.36)	(89.21)
Trade and other payables	420.97	1,512.63
<b>Cash generated from operations</b>	<b>2,280.03</b>	<b>4,133.23</b>
Taxes paid (Net)	(925.82)	(418.49)
<b>Net Cash Flow from Operating Activities</b>	<b>1,354.21</b>	<b>3,714.74</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(2,061.87)	(2,982.94)
Proceeds from sale of property, plant and equipment	2.54	0.39
Investment in unquoted shares	-	-
Acquisition of a subsidiary, net of cash acquired	-	(1,600.00)
Interest received	136.69	184.33
<b>Net Cash Flow Used in Investing Activities</b>	<b>(1,922.64)</b>	<b>(4,398.22)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	240.00	112.50
Proceeds from exercise of share options	-	-
Share Application money received	1,331.44	1,082.81
Dividend paid to Equity holders	(593.61)	(569.25)
Finance Cost	(3.55)	-
<b>Net cash flow from financing activities</b>	<b>974.28</b>	<b>626.06</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>405.84</b>	<b>(57.42)</b>
Cash and cash equivalents at the beginning of the year	268.25	325.67
<b>Cash and cash equivalents at the end of the year</b>	<b>674.09</b>	<b>268.25</b>

**Notes on cash flow**

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - Cash Flow Statement and presents cash flows by operating, investing and financing activities.
2. Cash & Cash equivalents comprise of cash and bank balances alone (refer note 10)
3. Net Cash Flow from Operating Activities Includes amount spent in cash towards Corporate Social Responsibility
4. The company has no borrowings during the year (previous year Nil)
5. Figures in the Bracket are outflows / deductions.
6. "Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation."

As per our reports attached.

For **CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 0140335

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

Place : Thiruvananthapuram  
Date : 25th May 2021

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

**Dhiren S Shah**  
DIN 1149436  
Director

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

**N.N. Parameswaran** AESPP2437E  
Chief Finance Officer & Company Secretary

Place : Palakkad  
Date : 25th May 2021

# Notes to Standalone Financial Statements for the year ended March 31, 2021

## 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 31 March 2021 were approved by the Board of Directors and authorized for issue on 25 May 2021.

During the year 2019-2020, the company has acquired 100% of the shares of M/s Premier Tissues India Limited.

## B) Basis of preparation of financial statements

### (i) Statement of Compliance

The Standalone financial statements 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, amended from time to time.

### (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 IND AS. 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 the revision 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..

**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 include an estimation on forward looking information relating to not only the counterparty 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 postemployment 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)

**Recognition and measurement of provisions and contingencies**

The company has estimated the timings of cash outflows, if any, in respect of the contingent liabilities pending resolution of the respective proceedings, as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. (refer Note 39)

**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 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 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 Equipments	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.

#### **Impairment:**

The carrying amounts of the Company's tangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

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 amortization 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 AS 27- 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 estimation on forward looking information relating to not only the counterparty 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) (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 realizable value. When Inventories are sold, the carrying amount of those items are recognized as expenses in the period in which the related revenue is recognized.

## **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 3 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 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.

## **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 cor-

responding 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 return 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, at the

moment when control has been transferred to the customer and is measured net of trade discounts, rebates and pricing allowances to customers.

### 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 is 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.

### 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 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.

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 (5) 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 financials 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 the recognised 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 organization, 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 and equipment

in ₹ Lakhs

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1st April 2020	Additions	Disposals	As at 31st March 2021	As at 1st April 2020	Depreciation for the year	Eliminated on disposal of assets	As at 31st March 2021	As at 31st March 2020
<b>Tangible Assets</b>									
Land	1,211.72	7.72	-	1,219.44	-	-	-	1,219.44	1,211.72
Building	2,998.24	281.77	-	3,280.01	418.34	102.37	-	2,759.30	2,579.90
Plant & Equipment	10,815.44	1,029.19	57.36	11,787.27	5,277.42	372.54	16.42	6,153.73	5,538.02
Furniture & Fixtures	41.09	4.60	-	45.69	27.74	1.90	-	16.05	13.35
Vehicles	78.35	-	-	78.35	31.83	8.94	-	37.58	46.52
Office Equipment	48.93	10.81	-	59.74	29.19	5.32	-	25.23	19.74
Computer & Accessories	73.19	5.38	-	78.57	62.64	4.85	-	11.08	10.55
<b>Total</b>	<b>15,266.96</b>	<b>1,339.47</b>	<b>57.36</b>	<b>16,549.07</b>	<b>5,847.16</b>	<b>495.92</b>	<b>16.42</b>	<b>10,222.41</b>	<b>9,419.80</b>
	11,529.47	3,841.81	104.30	15,266.98	5,512.20	364.16	29.18	9,419.80	6,017.27
<b>Capital Work in Progress</b>	<b>6.65</b>	<b>1,391.16</b>	<b>900.59</b>	<b>497.22</b>	-	-	-	<b>497.22</b>	<b>6.65</b>
	771.54	2,732.70	3,497.59	6.65	-	-	-	6.65	771.54
<b>Intangible Assets</b>									
Computer Software	13.95	1.68	-	15.63	12.42	0.27	-	2.94	1.53
<b>Total</b>	<b>13.95</b>	<b>1.68</b>	<b>-</b>	<b>15.63</b>	<b>12.42</b>	<b>0.27</b>	<b>-</b>	<b>2.94</b>	<b>1.53</b>
	12.61	1.34	-	13.95	9.33	3.09	-	1.53	3.28

2.1 Of the entire extent of 113.15 acres of land procured by the company in Midapadi and Pushpathur village in Dindigul district, Palani Taluk, Tamil Nadu, the company is not in possession of registered deed for a parcel of land admeasuring to 0.912 acres from the registration department due to lack of consensus regarding valuation of property. Further, land mutation has not been carried out for an extent of 87.97 acres of land by the revenue authorities.

## 2.2 Depreciation and Amortisation Expense

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Depreciation on Tangible assets	495.92	364.16
Amortisation of intangible assets	0.27	0.27
<b>Total</b>	<b>496.19</b>	<b>364.43</b>

## 3. Investment Property

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Free hold Land		
11.87 Acres in Coimbatore District Pollachi Taluk Tamil Nadu	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 (31 March 2020 - Nil).

## 4. Investments

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>"Investments in equity shares of subsidiary companies Unquoted, fully paid up (measured at cost)"</b>		
<b>M/s Premier Tissues India Ltd</b>	3,200.14	3,200.14
1,12,40,854 unquoted and non traded Equity Shares of face value Rs.10 Each (Previous year 1,12,40,854 unquoted and non traded Equity Shares face value Rs 10/- each fully paid up)		
Percentage of interest	100%	100%

## 5. Loans (non -current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Unsecured, Considered Good</b>		
Security Deposits with various authorities	55.13	70.11
<b>Total</b>	<b>55.13</b>	<b>70.11</b>

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

## 6. Other financial assets (Non current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Earmarked Balances with banks</b>		
Bank Guarantee	34.55	33.88
Unpaid Dividend Accounts	151.94	123.61
<b>Total</b>	<b>186.49</b>	<b>157.49</b>

**7. Other non-current Asset**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Capital Advance to Suppliers	454.26	224.11
Vat Credit Receivable*	173.42	386.08
Advance income tax net of provisions	2.08	2.08
<b>Total</b>	<b>629.76</b>	<b>612.27</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 31 March 2021	As at 31 March 2020
(a) Raw Materials	583.75	388.12
(b) Work in Progress	343.16	158.10
(c) Stores & Spares	203.19	202.91
(d) Finished Goods (other than those acquired for trading)	164.73	244.34
<b>Total</b>	<b>1,294.83</b>	<b>993.47</b>

**9. Trade Receivables (Current)**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables outstanding Less than one Year		
Unsecured, Considered Good	2,993.57	3,138.19
Unsecured, Considered Doubtful	25.42	29.14
	3,018.99	3,167.33
Less: Impairment provision on Expected Credit Loss Model	25.42	29.14
<b>Total</b>	<b>2,993.57</b>	<b>3,138.19</b>
Receivable from related parties	5.04	14.29
Others	3,013.95	3,153.04
<b>Total</b>	<b>3,018.99</b>	<b>3,167.33</b>

## 9.1

in ₹ Lakhs

Movement in the expected credit loss allowance	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	29.15	27.04
Less: balances written off / Recovered during the year	5.70	3.17
Add: provision made during the year	1.97	5.28
Balance at the end of the year	25.42	29.15

## 10. Cash and cash equivalents

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Cash on hand	7.94	9.63
(b) Balances with Banks		
- In Current Accounts	496.13	258.62
- In short term deposits	170.03	-
<b>Total</b>	<b>674.10</b>	<b>268.25</b>

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

## 11. Other bank balances

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(b) Balances with Banks		
- Deposit Accounts - Unpaid Dividend - F.Y.19-20	37.20	29.81
<b>Total</b>	<b>37.20</b>	<b>29.81</b>

## 12. Loans (current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Inter Corporate Deposits		
Unsecured, Considered Good	3,130.00	500.00
<b>Total</b>	<b>3,130.00</b>	<b>500.00</b>

**13. Other financial assets**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Unsecured, Considered Good</b>		
Interest Receivable	0.51	31.70
Other receivables	0.02	16.60
Other Current Asset - Udumelpet equipments ( held for Sale)	384.27	392.74
<b>Total</b>	<b>384.80</b>	<b>441.04</b>

**14. Other current assets**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Unsecured, Considered Good</b>		
GST Receivable (Net)	376.84	389.26
Advance to Vendors	43.97	9.66
Advances to Employees	2.77	0.34
Prepaid Expense (Unsecured, considered good)	27.57	24.09
<b>Total</b>	<b>451.15</b>	<b>423.35</b>

**15. Equity Share capital**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
7,00,00,000 Equity shares of ₹ 5 each (7,00,00,000 Equity shares of ₹ 5 each )	3,500.00	3,500.00
<b>Issued, Subscribed and Paid up capital</b>		
5,42,67,529 Equity shares of ₹ 5 each (4,94,67,529 Equity shares of ₹ 5 each)	2,713.38	2,473.38

## 15.1

in ₹ Lakhs

Reconciliation of the number of shares	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Balance as at the beginning of the year	70000000	3,500.00	70000000	3,500.00
Changes in Authorised Equity Share capital during the year	0	-	0	-
Balance as at the end of the year	70000000	3,500.00	70000000	3,500.00
<b>Issued Share Capital</b>				
Balance as at the beginning of the year	49467529	2,473.38	47217529	2,360.88
Preferential issue of shares	4800000	240.00	2250000	112.50
Balance as at the end of the year	54267529	2,713.38	49467529	2,473.38

## 15.2

in ₹ Lakhs

Promoters and Shareholders holding more than 5% shares in the company	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	%	No. of Shares	%
Authorised Share Capital	11099096	20.45%	9974096	20.16%
Balance as at the beginning of the year	8944406	16.48%	7818906	15.81%
Changes in Authorised Equity Share capital during the year	3773280	6.95%	2498280	5.05%
Balance as at the end of the year	3059556	5.64%	3059556	6.18%
Balance as at the beginning of the year	3551768	6.54%	2276768	4.60%
Preferential issue of shares	2736000	5.04%	2736000	5.53%
Balance as at the end of the year	137691	0.25%	224755	0.45%

### 15.3 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 ₹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.

"The Board of Directors have recommended a Final Dividend of ₹1.30/- per share (on fully paid up share of ₹5/- each) for FY 2020-21 and is subject to approval of shareholders in the ensuing Annual General Meeting."

**16. Other equity (Reserves & Surplus)**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Share Application Money pending allotment		
As per last balance sheet	239.06	-
Add: Preferential Issue of Share/Application money received	(239.06)	239.06
	-	239.06
Reserves & Surplus		
Securities Premium		
As per last Balance Sheet	2,543.75	1,700.00
Add: Premium on Shares issued under preferential issue	1,570.50	843.75
	4,114.25	2,543.75
General Reserves		
As per last Balance Sheet	493.24	417.60
Add: Transferred from Retained Earnings	147.82	75.64
	641.06	493.24
Retained Earnings		
As per last Balance Sheet	9,649.82	8,790.92
Add: Profit for the year	3,025.40	1,503.78
Less Appropriations		
Dividend on Equity Shares including taxes	593.61	569.24
Transferred from Retained Earnings	147.82	75.64
	11,933.78	9,649.82
Other Comprehensive Income		
Remeasurements of Defined Benefit Plans	(53.67)	(62.95)
As per last Balance Sheet	(68.95)	9.28
Add: Movement in OCI (Net) during the year	(122.62)	(53.67)
<b>Total</b>	<b>16,566.47</b>	<b>12,872.20</b>

**16.1 Nature and purpose of reserves :**

- 1 Securities premium represents amounts received in excess of par value on issue of shares.
- 2 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.
- 3 "Retained earning : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve , dividends or other distributions paid to shareholders."

- 4 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.

## 17. Provisions (non-current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Contingent Liabilities		
Provision for Tripura VAT Receivable	173.42	173.42
Provision for contingencies*	674.00	524.00
	<b>847.42</b>	<b>697.42</b>
Other Provisions :		
Sales Tax Differential Payable	0.54	3.17
Compensated Absences	83.89	78.94
Gratuity	6.21	-
<b>Total</b>	<b>938.06</b>	<b>779.52</b>

- 17.1 \* 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 precision 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. 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.

## 18. Other non-current liabilities

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Other advances received	1.30	0.50
<b>Total</b>	<b>1.30</b>	<b>0.50</b>



**19. Trade Payable (current)**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Outstanding dues of Micro Enterprises and Small Enterprises	1.68	3.33
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2096.92	1598.99
<b>Total</b>	<b>2098.60</b>	<b>1602.32</b>

## 19.1 Note:

i. Dues to micro enterprises and small enterprises:

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro enterprises and small enterprises amounting to ₹1.68 Lakhs (Previous Year: ₹ 3.33 Lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount due and remaining unpaid	1.68	3.33
Interest due on above and the unpaid interest	0.06	0.04
Interest paid in terms of Section 16 of MSMED Act	-	-
Amount of payments made to supplier beyond the appointed day	1.68	3.33
Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006	-	-
Amount of Interest accrued and remaining unpaid	0.06	0.04
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006	-	-

**20. Other Financial Liabilities**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unpaid Dividend	189.14	153.42
Amount payable on purchase of Investments	-	775.00
<b>Total</b>	<b>189.14</b>	<b>928.42</b>

## 21. Current Tax Liabilities (Net)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Taxation	24.28	11.27
<b>Total</b>	<b>24.28</b>	<b>11.27</b>

## 22. Other Current Liabilities

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory Dues Payable	179.73	102.73
Advances received from Customers	292.65	57.26
Payable to employees	196.67	104.67
Other Payables	2.49	1.49
<b>Total</b>	<b>671.54</b>	<b>266.15</b>

## 23. Provisions ( Current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for Employee Benefits		
Provision for Salary Arrears, Bonus & Production Incentive	124.98	54.91
Compensated Absences	32.67	10.76
Terminal benefit Liability( Gratuity Benefit)	111.43	12.01
<b>Total</b>	<b>269.08</b>	<b>77.68</b>

## 24. Revenue from Operations

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Sale of Products*		
Domestic	22,392.85	20,134.53
Exports	4,530.55	2,445.39
(b) Other Operating Revenues		
Scrap sales	51.64	126.87
Export incentives	30.09	63.82
<b>Total</b>	<b>27,005.13</b>	<b>22,770.61</b>

\*Sale of Products is after providing discounts & rebates directly related to sales:

**24.1**

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of Products comprises		
Manufactured Goods	26,923.40	22,579.92
Traded Goods	-	-
<b>Total</b>	<b>26,923.40</b>	<b>22,579.92</b>

**25. Other Income**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Interest Income		
On deposits with banks and other balances	12.55	9.02
On Inter Corporate Deposits	124.14	175.31
(b) Net (gain) / loss on Foreign currency transactions and translations (considered as Finance Cost)	40.72	37.82
Miscellaneous Income	3.88	0.21
Profit on sale of Fixed asset	-	0.19
<b>Total</b>	<b>181.29</b>	<b>222.55</b>

**26. Cost of Materials Consumed**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Stock	696.83	595.69
Add: Purchases	18,806.49	17,061.77
Less: Closing Stock	1,066.62	511.09
<b>Cost of Materials consumed</b>	<b>18,436.70</b>	<b>17,146.37</b>
Material consumed comprises:		
Latex / Chemicals	18,436.70	17,146.37
<b>Total</b>	<b>18,436.70</b>	<b>17,146.37</b>

## 27. Changes in inventories of Finished Goods Work-in- Progress and Stock in Trade

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Closing Stock</b>		
Finished Goods	164.73	244.34
<b>Opening Stock</b>		
Finished Goods	244.34	129.44
<b>Total</b>	<b>79.61</b>	<b>(114.90)</b>

## 28. Employee Benefit Expense

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Salaries & Wages	1,196.62	941.25
Contributions to Provident and Other funds	74.77	79.84
Staff Welfare Expense	44.54	41.49
<b>Total</b>	<b>1,315.93</b>	<b>1,062.58</b>

## 29. Finance Costs

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Interest Expense on		
Intercorporate deposits	3.55	-
<b>Total</b>	<b>3.55</b>	<b>-</b>

## 30. Other Expenses

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
CSR Expenses	52.99	41.10
Directors Sitting Fee	12.90	7.90
Dividend Distribution expenses	4.59	2.84
Donations & Contributions	3.85	2.13
Effluent Treatment Expense	195.29	225.35
Legal & Professional expenses	32.24	39.06
Loss on derecognition of PPE	9.90	-
Administrative expenses	166.93	219.08

Office expenses	59.81	67.85
Provision for Unknown Liabilities	150.00	120.00
Provision for Bad and Doubtful Debts	25.69	5.28
Less: Bad Debts provided in the Previous year recovered	(6.85)	(3.25)
Repairs and maintenance	232.26	154.24
Secretarial Expense	9.49	9.49
Selling and distribution expenses	565.87	551.02
Power & Fuel	1,310.27	1,113.95
Payment to Auditors		
For Statutory audit	4.00	3.00
For Cost Audit	0.50	0.50
Reimbursement of Expenses	-	0.11
<b>Total</b>	<b>2,829.73</b>	<b>2,559.65</b>

### 31. Deferred tax liabilities (Net)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance recognized in profit or loss	<b>(378.81)</b>	<b>(335.89)</b>
Opening balance recognized in other comprehensive income	-	-
<b>Recognised in profit or loss</b>		
<b>Deferred tax liability</b>		
Arising on account of difference in carrying amount and tax base of PPE and Intangibles	706.60	589.80
	<b>706.60</b>	<b>589.80</b>
<b>Deferred tax asset</b>		
Leave Encashment Liability	28.65	23.99
Provision for Gratuity	36.13	-
Provision for Doubtful debts	12.37	7.47
Sales Tax Liability	0.14	0.81
Provision for Contingent Liability	213.28	178.72
	<b>290.57</b>	<b>210.99</b>
<b>MAT credit</b>		
Add: Minimum Alternate Tax Credit Entitlement	-	-

<b>Recognised in other comprehensive income</b>		
Tax expense during the year recognized in the OCI	23.19	-
<b>Net deferred tax (liability) / asset</b>	<b>(416.03)</b>	<b>(378.81)</b>
<b>Deferred tax expense / (Income)</b>	<b>37.22</b>	<b>42.92</b>
Closing balance recognized in profit or loss	(416.03)	(378.81)
Closing balance recognized in other comprehensive income	23.19	-

### 32. Other comprehensive income

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(a) (i) Items that will not be reclassified to profit or loss (net)	-	
Actuarial Gain /Loss of defined Employee benefit plan	(92.15)	9.28
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 and Loss	23.19	-
(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	-	-
<b>Total</b>	<b>(68.96)</b>	<b>9.28</b>

### 33. Earnings per share

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Earnings per share of ₹ 5 each</b>		
Net Profit for the year ( in ₹ lakhs)	2,956.50	1,513.03
<b>Basic Earnings per share</b>		
Weighted Average No. of Equity Shares	5,13,11,913	4,74,14,789
Basic EPS (in Rs. Ps.)	5.76	3.19
<b>Diluted Earnings per Share</b>		
Weighted Average No. of Equity Shares	5,17,44,961	4,81,48,825
Diluted EPS (in Rs. Ps.)	5.71	3.14

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

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.

The Company was required to spend an amount of ` 51.39 Lakhs (Previous Year ` 50.10 Lakhs) being 2% of the average net profits of the three immediately preceding financial years on CSR as per the provisions of section 135 of the Companies Act, 2013. The Company has during the year spent ` 52.99 Lakhs.

Particulars	As at 31 March 2021	As at 31 March 2020
Gross amount required to be spent	51.39	50.10
Amount spent during the year	52.99	41.10
(i) Construction / Acquisition of any Asset	-	-
(ii) On purposes other than (i) above	52.99	41.10
(Excess)/Short spent*	(1.60)	9.00
Total Eligible Amount	51.39	41.10

\* Projects worth Rs.9 Lacs were on the anvil and was scheduled for last week of March, 2020. Due to the nationwide lock down imposed the company could not complete the pending projects.

The nature of the CSR expenditures are in conducting programs and activities for promoting healthcare and sanitations, promoting education, providing life support to the economically backward individuals etc.

### 35. 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 31 March 2021 and for the year ended 31st March 2020.

#### 35.1 During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Employer's contribution to Provident Fund and Family Pension Fund	68.27	62.31
Employer's contribution to Superannuation Fund	3.78	3.78
Gratuity - Funded	137.34	11.52
Leave Encashment - Unfunded	29.95	44.06

#### 35.2 The valuation results for the defined benefit gratuity plan as at 31-3-2021 are produced in the tables below:

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>1. Assumption</b>		
Discount Rate	7.11%	6.87%
Salary Escalation	8.00%	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	442.71	362.92
Interest Cost	30.41	27.86
Current Service Cost	27.75	26.71
Benefits paid	-	(7.90)
Actuarial (gain) / Loss on obligation	73.37	33.12
Present value of Obligation as at the end of the year	574.24	442.71
<b>3. Table showing changes in Fair Value of Plan Assets</b>		
Fair Value of Plan assets at the beginning of the year	430.70	323.43
Expected return of Plan assets	29.58	27.97
Contributions	-	82.00
Benefits paid	-	(7.90)
Actuarial (gain) / Loss on Plan assets	(29.58)	5.20
Fair Value of Plan assets at the end of the year	430.70	430.70
<b>4. Table showing fair value of Plan assets</b>	-	-
Fair Value of Plan assets at the beginning of the year	430.70	323.43
Actual return on Plan assets	29.58	27.97
Contributions	-	82.00
Benefits paid	-	(7.90)
Actuarial (gain) / Loss on Plan assets	(29.58)	5.20
Fair Value of Plan assets at the end of the year	430.70	430.70
Funded Status	143.55	12.01
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 recognized</b>	-	-
Actuarial (gain) / loss on obligations	73.37	33.12
Actuarial (gain) / Loss on Plan assets	29.58	(5.20)
Total Actuarial (gain) / loss for the year	102.95	27.92



Particulars	As at 31 March 2021	As at 31 March 2020
<b>6. The amounts to be recognized in the Balance Sheet and Statements of Profit / loss</b>	-	-
Present value of Obligation at the end of the year	574.24	442.71
Fair Value of Plan assets at the end of the year	430.70	430.70
Funded Status	143.55	12.01
Net Asset / (Liability) recognised in the Balance Sheet	143.55	12.01
<b>7. Expenses recognised in the Statement of Profit &amp; Loss</b>		
Current Service Cost	27.75	26.71
Interest Cost	30.41	27.86
Expected Return on Plan assets	29.58	27.97
Net Actuarial (gain) / Loss recognised in the year	102.95	27.92
Expenses recognised in the Statement of Profit & Loss	131.53	54.52

**35.3 The valuation results for the unfunded Leave Encashment as at 31-3-2021 are produced in the table below:**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>1. Assumption</b>		
Discount Rate	7.11%	6.87%
Salary Escalation	8.00%	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	89.70	90.00
Interest cost	5.96	6.98
Current Service Cost	34.80	29.92
Benefits paid	(5.82)	-
Actuarial (gain) / Loss on obligation	(10.81)	(37.20)
Present value of Obligation as at the end of the year	113.83	89.70

Particulars	As at 31 March 2021	As at 31 March 2020
<b>3. The amounts to be recognized in the Balance Sheet and Statements of Profits/loss</b>		
Present Value of Obligation at the end of the year	89.70	(90.00)
Fair Value of Plan assets at the end of the year	-	-
Funded Status	113.83	89.70
Net Asset / (Liability) recognized in the Balance Sheet	113.83	89.70
<b>4. Expenses recognized in the Statement of Profit &amp; Loss</b>	-	-
Current Service Cost	34.80	29.92
Interest Cost	5.96	6.98
Expected Return on Plan assets	-	-
Net Actuarial (gain) / Loss recognized in the year	(10.81)	-
Expenses recognized in the Statement of Profit & Loss	29.95	36.90

### 36. SEGMENT INFORMATION

"The Company is engaged in the manufacture and 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 one primary segment namely Manufacture and sale of Heat Resistant 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 work in progress amounts pertains to the paper manufacturing segment. 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:**

in ₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	Assets	Revenues	Assets	Revenues
<b>Out side India</b>				
Asia	89.67	1,950.20	58.74	1,700.69
Europe	42.58	190.15	-	190.90
Africa	24.01	52.93	-	-
America	250.15	2,336.72	80.20	551.60
<b>Within India</b>	2,612.58	22,393.40	3,028.39	20,136.73
<b>Total</b>	<b>3,018.99</b>	<b>26,923.40</b>	<b>3,167.33</b>	<b>22,579.92</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:

Joint Venture Company (till 12-09-2019)	M/s Premier Tissues India Limited
Subsidiary company (from 13-09-2019)	M/s Premier Tissues India Limite

- 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
Other Related Parties	Mr. Bharat Jayantilal Patel	Chairman
	Mr. Bharat Jamnadas Dattani	Director
	Mr. Hardik Bharat Patel	Director
	Mr. Patrick Michael Davenport	Director
	Mr. Dhiren Shah Shevantilal	Director

- 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	2020-2021	2019-2020
M/s Premier Tissues India Limited	Sale of Materials	4.56	24.28
	Purchase of Materials	2.39	1.67
Mr. Gopinathan Pillai Krishnakumar	Compensation for services	88.16	81.38
Mr. Nurani Neelakantan Parameswaran	Compensation for services	55.25	53.22
M/s Moneybee Securities Pvt Limited	Consultancy Expenses	-	8.00
Mr.Ruchit Bharat Patel	Purchase of Investments	-	1,600.00

### 37.2 Outstanding Balances

	As at 31 March 2021	As at 31 March 2020
M/s Premier Tissues India Limited	5.04	14.12
Mr.Ruchit Bharat Patel	-	775.00

Key Managerial Personnel who are under the employment of the company are entitled to post-employment benefits and other long term employee benefits recognized as per Ind AS 19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

### 38. DETAILS OF PROVISION FOR CONTINGENT LIABILITY

in ₹ Lakhs

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

	As at 31 March, 2020	Additions	Reversal	As at 31 March, 2021
Provision for Expenses - Tripura VAT	173.42	-	-	173.42
	<i>173.42</i>	<i>-</i>	<i>-</i>	<i>173.42</i>
Provision for Contingencies	524.00	150.00	-	674.00
	<i>404.00</i>	<i>120.00</i>	<i>-</i>	<i>524.00</i>
<b>Total</b>	<b>697.42</b>	<b>150.00</b>	<b>-</b>	<b>847.42</b>
	<i>577.42</i>	<i>120.00</i>	<i>-</i>	<i>697.42</i>

Note: Figures in Italics relates to Previous year

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

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Claim against the Company not acknowledged as debt:		
Duty Draw Back (excluding interest)*	391.73	391.73
(a) Intercorporate deposits pending settlement		
Raveena Hotels Private Limited	-	50.00
<b>Total</b>	<b>391.73</b>	<b>391.73</b>

\*The interest on the duty drawback excess claimed in the years 2001-2003 could not be quantified.

**39.1** The company has pending the following litigations with various courts and which in its opinion has no impact on its financial position in the financial statements as on 31 March 2021

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 Hnble High Court of Kerala

No	For / Against the company	Date of admission	Status
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 before DRT
3	Commissioner of GST (Agartala) (Financial Impact - Rs.1054.35 Lacs)	2020-2021	Revision Petition before the Commissioner of Taxes, Agartala
4	Sub-Registrar Keerannure (Financial Impact - Rs.45.36 Lacs)	2020-2021	Writ petition filed before the Hnble High Court of Tamil Nadu - pending hearing

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings, as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

## 40 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.

## 41 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 company 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 other than for a short term inter corporate loan, hence the exposure to interest rate risk is minimal. (Previous year- Nil)

**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	(₹ Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Financial assets	482.33	113.32
Financial Liabilities	165.01	(0.28)

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. 6.35 Lakhs (previous year Rs. 2.26 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 instability 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 majorly comprises of strategic investments rather than trading purposes.

**2 Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company is exposed to credit risk for receivables, 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.3018.99 Lakhs and Rs.3167.33 Lakhs as of 31 March 2021 and 31 March 2020 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. Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties. Where receivables are impaired, the Company actively seeks to recover the amounts in question and enforce the compliance with credit terms.

(₹ Lakhs)

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	29.14	27.03
Impairment loss recognised	1.97	5.28
Impairment loss reversed	5.69	3.17
Balance at the end of the year	25.42	29.14

### 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 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.

### 4 Interest Rate Risk

The Company is a zero-debt company as on 31 March 2021 (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 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 2021 is Rs.10661.42 lakhs (previous year Rs.7,805.03 Lakhs). Financial assets of Rs.711.30 lakhs (previous year Rs.298.06 Lakhs) as at March 31, 2021 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.2993.57 lakhs as at March 31, 2021 (previous year Rs.3138.19 Lakhs) 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 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 any abnormal credit loss though supplying to an unorganised sector. The allowance for doubtful trade receivables of Rs. 25.42 lakhs as at March 31, 2021 (previous year Rs.29.14 Lakhs) is considered adequate."

## 42 EVENTS AFTER THE REPORTING PERIOD

The proposed final dividend for Financial Year 2020-21 amounting to Rs. 705.48 Lakhs (Previous year Rs.593.61 Lakhs) will be recognised as distribution to owners during the financial year 2021-22 on its approval by Shareholders. The proposed final dividend per share amounts to Rs 1.30/- (Previous year Rs.1.20/-)

## 43 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for -Rs. 1750 Lakhs (Previous Year - 800 Lakhs).

## 44 FAIR VALUE MEASUREMENTS

The Management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying values largely due to the short-term maturities of these instruments.

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As at 31st March 2021			As at 31st March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Loans	-	-	3,185.13	-	-	570.11
Other financial assets	-	-	571.28	-	-	598.53
Trade Receivables	-	-	2,993.57	-	-	3,138.19
Cash and cash equivalents	-	-	674.10	-	-	268.25
Other bank balances	-	-	37.20	-	-	298.1
<b>Financial Liabilities</b>						
Trade Payables	-	-	2,098.60	-	-	1,602.32
Other Financial liabilities	-	-	189.14	-	-	928.42

#### Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are (a) recognized and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows the underneath table:

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Instruments at FVTOCI	-	-	-	-
Financial Instruments at FVTPL	-	-	-	-
Financial Instruments at Amortized cost	-	711.30	6,749.99	7,461.28
Financial Liabilities	-	-	2,287.74	2,287.74

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Instruments at FVTOCI	-	-	-	-
Financial Instruments at FVTPL	-	-	-	-
Financial Instruments at Amortized cost	-	298.06	4,306.83	4,604.89
Financial Liabilities	-	-	2,530.74	2,530.74

Level 1: Level 1 hierarchy included financial instruments measured using quoted prices. This included listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques



which maximize the use of observable market data. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

45 The Company has not made any contribution to electoral trusts in the current year and previous year.

As per our reports attached.

For **CYRIAC & ASSOCIATES**

Chartered Accountants

Firm No : 0140335

**Jim Cyriac** Partner

Membership No : 230039;

Place : Thiruvananthapuram

Date : 25th May 2021

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

**Dhiren S Shah**

DIN 1149436

Director

**G.Krishna Kumar**

DIN 01450683

Managing Director

**N.N. Parameswaran** AESPP2437E

Chief Finance Officer & Company Secretary

Place : Palakkad

Date : 25th May 2021

# Consolidated Financial Statements

- 120 Independent Auditors Report
- 129 Balance Sheet
- 131 Statement of Profit & Loss
- 133 Statement of changes in Equity
- 135 Cash flow Statement
- 137 Notes forming part of the  
Financial Statement

# INDEPENDENT AUDITORS' REPORT

To the members of Rubfila International Limited

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

### Opinion

We have audited the accompanying Consolidated Financial Statements of Rubfila International Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the 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 and on the other financial information of its subsidiary, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the

year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 and the audit evidence obtained by the other auditor in terms of their reports is sufficient and appropriate to provide a basis for our opinion.

### 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.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Duty Draw Back</b></p> <p>The Commissioner of Customs ordered recovery of duty drawback claimed by the company for the financial years 2001-2003 amounting to Rs. 391.73 Lakhs (previous year Rs. 391.73 Lakhs) in 2008-09. The company appealed against this order is pending before the Tribunal. Refer note -41</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 liability 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> <ul style="list-style-type: none"> <li>● 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.</li> <li>● Obtained an opinion from expert on the possible outcome of the pending litigation in respect of the financial impact of the various outcomes.</li> <li>● Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;</li> </ul>
Key Audit Matter	How our audit addressed the key audit matter
<p><b>Provision for Contingencies</b></p> <p>The management is required to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, general legal proceedings and other eventualities arising in the regular course of business. The Company is also subject to complexities arising from uncertain direct / indirect tax positions on deductibility of expenses.</p> <p>The key judgement lies in determining the likelihood and magnitude of the possible cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities. By nature, these are complex and include many variables. Refer note -19</p>	<p><b>Our procedures included, but were not limited to the following:</b></p> <ul style="list-style-type: none"> <li>● We tested the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions.</li> <li>● We inquired the status in respect of significant provisions with the Company’s internal tax and legal team.</li> <li>● We obtained experts’ opinion, wherever required, to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</li> <li>● We challenged the assumptions and critical judgements made by the Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company’s advisors and assessing whether there was an indication of management bias.</li> </ul>

**Other Information**

The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and

Director’s Report, but does not include the consolidated financial statements and our auditor’s 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, 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' Responsibilities for the Consolidated Financial Statements**

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies

included in the Group, and its associate company and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the

Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the respective companies included in the Group 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 of the parent Company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the respective companies included in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 rele-

vant 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 Holding Company, its subsidiary and associate (covered under the Act) have adequate internal financial controls with reference to 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 management;
- Conclude on the appropriateness of management's 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 ability of the Group and its associate and joint venture 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 the related disclosures in the 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 and its associate and joint venture to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associate and joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit

opinion.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 subsidiary of the Holding Company from September 13, 2019 onwards whose financial statements reflect total assets of Rs 2,071.51 Lakhs as at 31 March, 2021, total revenues of Rs 5,363.87 Lakhs total net profit after tax of Rs. 317.71 Lakhs, total comprehensive income of Rs. 319.65 Lakhs, and net cash inflows of Rs. 175.82 Lakhs for the year ended 31 March 2021, 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 statements, 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, 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, 2021 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, 2021 from being 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 31 March, 2021 on the consolidated financial position of the Group. Refer Note 41 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 31 March, 2021; 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 31 March, 2021.

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: 25-05-2021

# Annexure A to the Independent Auditors' Report - 31 March 2021

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)

In conjunction with our audit of the consolidated financial statements of Apollo Tyres Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's business, including adherence to the 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 financial statements of the Holding Company, as aforesaid, based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company as aforesaid.

## Meaning of Internal Financial Controls with refer-



**ence to Consolidated 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 Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company and associate company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential com-

ponents of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

We did not audit the internal financial controls with reference to financial statements in so far as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of Rs 2,071.51 Lakhs as at 31 March, 2021, total revenues of Rs 5,363.87 Lakhs total net profit after tax of Rs. 317.71 Lakhs, total comprehensive income of Rs. 319.65 Lakhs, and net cash inflows of Rs. 175.82 Lakhs for the year ended 31 March 2021, as considered in the consolidated financial statements, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose reports have been furnished to us by the other auditors at the request of the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i)

of the Act in so far as it relates to such subsidiary company and associate company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

**Jim Cyriac**  
(Partner)

Thiruvananthapuram  
25 May 2021

Mem No. 230039.  
UDIN:

## Consolidated Balance Sheet as at 31 March 2021

in ₹ Lakhs

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	12,768.49	11,986.38
Capital work-in-progress	2	524.71	22.88
Other Intangible Asset	2	7.95	9.94
Right of use Assets		64.04	-
Investment Property	3	128.15	128.15
Goodwill	4	32.76	32.76
Financial assets			
Loans, non -current	6	167.57	148.23
Other financial assets	7	186.49	157.49
Other non -current Asset	8	633.15	637.94
		<b>14,513.31</b>	<b>13,123.77</b>
<b>Current assets</b>			
Inventories	9	1,968.85	1,631.86
Financial assets		-	
Trade Receivables	10	3,265.96	3,409.58
Cash and cash equivalents	11	913.29	331.63
Bank balance other than Cash and cash equivalents	12	236.36	151.38
Loans, Current	13	3,730.00	1,250.00
Other financial assets	14	384.80	441.04
Other current assets	15	532.04	588.62
		<b>11,031.30</b>	<b>7,804.11</b>
<b>Total Assets</b>		<b>25,544.61</b>	<b>20,927.88</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	16	2,713.38	2,473.38
Other equity (Reserves & Surplus)	17	17,005.83	12,992.83
		<b>19,719.21</b>	<b>15,466.21</b>

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial Liabilities	18	104.61	65.70
Provisions (non-current)	19	953.11	835.06
Deferred tax liabilities (Net)	33	807.40	738.52
Other non-current liabilities	20	1.30	0.50
		<b>1,866.42</b>	<b>1,639.78</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables due to:			
Micro and small enterprises	21	36.62	19.16
Other than micro and small enterprises		2,461.23	2,208.32
Other financial liabilities	22	197.95	928.42
Current tax liabilities (Net)	23	24.99	13.80
Other current liabilities	24	953.86	557.35
Provisions (current)	25	284.33	94.84
		<b>3,958.98</b>	<b>3,821.89</b>
<b>Total Equity and Liabilities</b>		<b>25,544.61</b>	<b>20,927.88</b>

As per our reports attached.

For **CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 0140335

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

Place : Thiruvananthapuram  
Date : 25th May 2021

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

**Dhiren S Shah**                      **G.Krishna Kumar**  
DIN 1149436                          DIN 01450683  
Director                                      Managing Director

**N.N. Parameswaran** AESPP2437E  
Chief Finance Officer & Company Secretary

Place : Palakkad  
Date : 25th May 2021

## Consolidated Statement of Profit and Loss for the Period ended 31 March 2021

in ₹ Lakhs

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from Operations	26	32,294.03	25,800.78
II Other Income	27	255.75	473.64
<b>III Total Income (I + II)</b>		<b>32,549.78</b>	<b>26,274.42</b>
<b>IV Expenses</b>			
a. Cost of Materials Consumed	28	20,668.10	18,497.97
b. Purchase of Stock in Trade		385.86	211.76
c. Changes in inventories of Finished Goods Work-in-Progress and Stock in Trade	29	108.10	(79.90)
d. Employee Benefit Expense	30	2,126.30	1,562.60
e. Finance Costs	31	25.39	-
f. Depreciation and Amortisation Expense	2.2	631.65	625.02
g. Other Expenses	32	4,099.29	3,238.42
<b>Total Expenses</b>		<b>28,044.69</b>	<b>24,055.87</b>
<b>V Profit before share of net profits of investments accounted for using equity method and tax</b>		<b>4,505.09</b>	<b>2,218.55</b>
<b>VI Share of net profit of associates accounted for using the equity method</b>	5	-	29.55
<b>VII Profit before Exceptional Items &amp; Tax (III-IV)</b>		<b>4,505.09</b>	<b>2,248.10</b>
VIII Exceptional Items		-	-
<b>IX Profit before Tax (V-VI)</b>		<b>4,505.09</b>	<b>2,248.10</b>
<b>VIII Tax Expense</b>			
(1) Current Tax		1,093.54	478.79
(2) Deferred Tax		-	-
(2) Deferred Tax	33	68.88	81.91
<b>Total Tax Expenses</b>		<b>1,162.42</b>	<b>560.70</b>
<b>XI Net Profit for the period (VII-VIII)</b>		<b>3,342.67</b>	<b>1,687.40</b>

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>XII Other Comprehensive Income</b>			
(a)(i) Items that will not be reclassified to profit or loss (net)	34	-90.21	-4.03
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		22.71	
<b>XIII Total Comprehensive Income for the period (IX+X)</b>		<b>3,275.17</b>	<b>1,683.37</b>
<b>Total Comprehensive Income for the year attributable to:</b>			
<b>Owners of the Holding Company</b>		<b>3,275.17</b>	<b>1,565.31</b>
<b>Non Controlling Interest</b>		<b>-</b>	<b>118.06</b>
<b>XIV Earnings per share (of ₹ 5/- each):</b>			
Basic & Diluted in Rs, Ps	35	<b>6.38</b>	<b>3.30</b>
Diluted in Rs, Ps		<b>6.33</b>	<b>3.25</b>

As per our reports attached.

For **CYRIAC & ASSOCIATES**  
Chartered Accountants  
Firm No : 0140335

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

Place : Thiruvananthapuram  
Date : 25th May 2021

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

**Dhiren S Shah**  
DIN 1149436  
Director

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

**N.N. Parameswaran** AESPP2437E  
Chief Finance Officer & Company Secretary

Place : Palakkad  
Date : 25th May 2021

## Consolidated Statement of Changes in Equity for the year ended 31 March 2021

### A. Equity Share Capital

in ₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Balance as at the beginning of the year	70000000	3,500.00	70000000	3,500.00
Changes in Authorised Equity Share capital during the year	0	-	0	-
Balance as at the end of the year	70000000	3,500.00	70000000	3,500.00
<b>Issued Share Capital</b>				
Balance as at the beginning of the year	49467529	2,473.38	47217529	2,360.88
Changes in Equity Share capital during the year	4800000	240.00	2250000	112.50
Balance as at the end of the year	54267529	2,713.38	49467529	2,473.38

### B. Other Equity

#### As at 31 March 2021

in ₹ Lakhs

Particulars	Share Application Money pending allotment	Reserves & Surplus			Other Comprehensive Income	Total
		Securities Premium	General Reserves	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the year	239.06	2,543.75	493.24	9,784.46	(67.68)	12,992.83
Profit/ (Loss) for the Year	-	-	-	3,342.67	-	3,342.67
Dividends paid including taxes	-	-	-	(593.61)	-	(593.61)
Transfer to General Reserve	-	-	147.82	(147.82)	-	-
Preferential Issue of Shares	(239.06)	1,570.50	-	-	-	1,331.44
Other Comprehensive Income	-	-	-	-	(67.50)	(67.50)
Balance at the end of the year	-	4,114.25	641.06	12,385.70	(135.18)	17,005.83

## As at 31 March 2020

in ₹ Lakhs

Particulars	Share Application Money pending allotment	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)
<b>Balance at the end of the year</b>	<b>239.06</b>	<b>2,543.75</b>	<b>493.24</b>	<b>9,784.46</b>	<b>(67.68)</b>	<b>12,992.83</b>

For and on behalf of the Board of Directors  
As per our reports attached.

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

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

Place : Thiruvananthapuram  
Date : 25th May 2021

**RUBILA INTERNATIONAL LTD**

**Dhiren S Shah**  
DIN 1149436  
Director

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

**N.N. Parameswaran** AESPP2437E  
Chief Finance Officer & Company Secretary

Place : Palakkad  
Date : 25th May 2021

## Consolidated Cash flow statement for the year ended 31 March 2021

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	4,505.09	2,248.15
<i>Adjustments for:</i>		
Depreciation and amortisation expenses of Property, plant and equipment and intangibles	631.65	625.02
Finance costs	25.39	-
Provision for doubtful debts/ advances ( Net)	25.69	5.28
Gain on disposal of property , plant and equipment	(0.05)	(2.48)
Allowance of expected credit Loss	101.87	(2.61)
Interest income	(205.29)	(230.87)
	<b>579.26</b>	<b>394.34</b>
Operating profit / (loss) before working capital changes	5,084.38	2,642.49
<i>Adjusted for</i>		
Trade & other receivables	(2,158.84)	353.54
Inventories	(336.98)	(98.98)
Trade and other payables	105.68	1,230.81
<b>Cash generated from operations</b>	<b>2,694.24</b>	<b>4,127.86</b>
Income tax (paid) / refunds	(1,089.31)	(433.49)
<b>Net Cash Flow from Operating Activities</b>	<b>1,604.93</b>	<b>3,694.37</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(2,183.61)	(3,051.32)
Proceeds from sale of property, plant and equipment	2.61	4.23
Acquisition of a subsidiary, net of cash acquired	-	(1,498.25)
Interest received	205.29	230.87
<b>Net Cash Flow Used in Investing Activities</b>	<b>(1,975.71)</b>	<b>(4,314.47)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	240.00	112.50
Share Application money received	1,331.44	1,082.81
Dividend paid to Equity holders	(593.61)	(569.25)
Finance Cost	(25.39)	-
<b>Net cash flow from financing activities</b>	<b>952.44</b>	<b>626.06</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>581.66</b>	<b>5.96</b>
Cash and cash equivalents at the beginning of the year	331.63	325.67
<b>Cash and cash equivalents at the end of the year</b>	<b>913.29</b>	<b>331.63</b>

### Notes on cash flow



1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - Cash Flow Statement and presents cash flows by operating, investing and financing activities.
2. Cash & Cash equivalents comprise of cash and bank balances alone (refer note 10)
3. Net Cash Flow from Operating Activities Includes amount spent in cash towards Corporate Social Responsibility
4. The company has no borrowings during the year (previous year Nil)
5. Figures in the Bracket are outflows / deductions.
6. "Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation."

As per our reports attached.

For **CYRIAC & ASSOCIATES**

Chartered Accountants

Firm No : 0140335

**Jim Cyriac** Partner

Membership No : 230039;

Place : Thiruvananthapuram

Date : 25th May 2021

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

**Dhiren S Shah**

DIN 1149436

Director

**G.Krishna Kumar**

DIN 01450683

Managing Director

**N.N. Parameswaran** AESPP2437E

Chief Finance Officer & Company Secretary

Place : Palakkad

Date : 25th May 2021

# Notes to Consolidated Financial Statements for the year ended 31 March 2021

## A) Group Corporate 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. M/s Premier Tissues India Limited is the wholly owned subsidiary of the company.

The company is the largest manufacturer of both Talcum Coated and Silicon Coated Heat Resistant Latex 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 subsidiary company is engaged in the business of manufacturing and selling of paper tissues.

The Consolidated financial statements for the year ended 31 March, 2021 were approved by the Board of Directors and authorized for issue on 25 May 2021

## B) Basis of preparation

### 1. Statement of Compliance

The Consolidated financial statements 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, amended from time to time.

### 2. Basis of Preparation and presentation of consolidated financial statements

The principal accounting policies applied in the prepara-

tion of these consolidated financial statements are set out 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 IND AS. 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 Consolidated 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.

### 3. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company controlled by the Company and its subsidiary. 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 relative 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 dis-

posed off 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	subsidiary Company	From 1 April 2020 to 31 March 2021
M/s Premier Tissues India Limited	Joint Venture Company	From 1 April 2019 to 12 September 12 2019
M/s Premier Tissues India Limited	subsidiary Company	From 13 September 2019 to 31 March 2020

### 4. 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 holding company has invested in the 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 adjust-

ed thereafter to recognise the holding Company's share of the post-acquisition profits or losses of the investee in The Consolidated Statement of Profit and Loss, and the holding 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.

## 5. 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 the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of noncontrolling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

## 6. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling 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.

## 7. Use of Estimate and judgment

In the application of accounting policy which are described in note 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 the revision 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 calculat-

ing value in use the company is required to estimate the cash flows to be generated from using the asset..

#### **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 include an estimation on forward looking information relating to not only the counterparty 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 postemployment 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 37)

#### **Recognition and measurement of provisions and contingencies**

The company has estimated the timings of cash outflows, if any, in respect of the contingent liabilities pending resolution of the respective proceedings, as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. (refer Note 41)

### **8. 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 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 Equipments	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.

**Impairment:**

The carrying amounts of the Company's tangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year

end and adjusted prospectively, if appropriate

**9. Intangible Assets**

On transition to Ind AS, the group 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.

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

**10. Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, 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.

## 11. 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 estimation on forward looking information relating to not only the counterparty 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.

## 12. 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 realizable value. When Inventories are sold, the carrying amount of those items are recognized as expenses in the period in which the related revenue is recognized.

## 13. 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 3 Licenses) for duty free import of Raw Materials. Company has met the export obligation in full against the 2 Licences (Previous year 2 Licenses).

## 14. 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.

#### **15. 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

#### **16. 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.

#### **17. Dividend Distribution to equity shareholders:**

The holding 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 holding 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.

#### **18. 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.

#### **19. Revenue recognition**

The group 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 group 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 group 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 dis-



counts, 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 is recognized at the moment when control has been transferred to the customer and is measured net of trade discounts, rebates and pricing allowances to customers.

**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.

## 20. 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.

## 21. 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 liabili-

ties 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.

## 22. Earnings per Share

The Group 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 holding 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.

## 23. Current versus non-current classification

The Group 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 Group'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 group 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.

#### 24. 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 Group 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 Group 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.

#### 25. 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 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.

## 26. 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 the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 27. Inter Corporate Deposits

Group 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.

## 28. 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 Holding 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 and equipment consolidated

in ₹ Lakhs

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1st April 2020	Additions	Disposals	As at 31st March 2021	As at 1st April 2020	Depreciation for the year	Eliminated on disposal of assets	As at 31st March 2021	As at 31st March 2020
<b>Tangible Assets</b>									
Land	1,491.72	7.72	-	1,499.44	-	-	-	-	1,491.72
Building	4,207.92	281.77	-	4,489.69	812.22	140.46	-	952.68	3,395.70
Plant & Equipment	14,005.23	1,125.81	57.36	15,073.68	7,009.07	460.50	1,642	7,453.15	6,996.16
Furniture & Fixtures	95.24	4.60	-	99.84	73.21	4.43	-	77.64	22.03
Vehicles	90.47	-	4.36	86.11	43.77	8.94	4.34	48.37	46.70
Office Equipment	85.44	22.77	-	108.21	64.39	6.54	-	70.93	21.05
Computer & Accessories	123.32	7.27	-	130.59	110.29	6.01	-	116.30	13.03
<b>Total</b>	<b>20,099.34</b>	<b>1,449.94</b>	<b>61.72</b>	<b>21,487.56</b>	<b>8,112.95</b>	<b>626.88</b>	<b>20.76</b>	<b>8,719.07</b>	<b>11,986.39</b>
	11,529.47	8,615.10	45.21	20,099.36	7,538.26	618.78	44.06	8,112.98	6,017.27
<b>Capital Work in Progress</b>	<b>22.88</b>	<b>1,402.42</b>	<b>900.59</b>	<b>524.71</b>	-	-	-	-	<b>22.88</b>
	771.54	2,748.93	3,497.59	22.88	-	-	-	-	771.54
<b>Intangible Assets</b>									
Computer Software	49.52	1.68	-	51.20	39.58	3.67	-	43.25	9.94
<b>Total</b>	<b>49.52</b>	<b>1.68</b>	<b>-</b>	<b>51.20</b>	<b>39.58</b>	<b>3.67</b>	<b>-</b>	<b>43.25</b>	<b>9.94</b>
	12.61	36.91	-	49.52	33.34	6.24	-	39.58	3.28

2.1 Of the entire extent of 13.15 acres of land procured by the holding company in Midapadi and Pushpathur village in Dindigul district, Palani Taluk, Tamil Nadu, the holding company is not in possession of registered deed for a parcel of land measuring to 0.9122 acres from the registration department due to lack of consensus regarding valuation of property. Further, land mutation has not been carried out for an extent of 87.97 acres of land by the revenue authorities.

## 2.2 Depreciation and Amortisation Expense

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Depreciation on Tangible assets	626.88	618.78
Amortisation of intangible assets	3.67	6.24
Depreciation on right of use assets	1.10	-
<b>Total</b>	<b>631.65</b>	<b>625.02</b>
Depreciation & Amortization		
HRLRT	496.19	341.89
Paper	135.46	283.13
<b>Total</b>	<b>631.65</b>	<b>625.02</b>

## 3. Investment Property

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Free hold Land		
11.87 Acres in Coimbatore District Pollachi Taluk Tamil Nadu	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, 2021 - Nil).

## 4. Goodwill

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Goodwill arising on business combination	32.76	32.76
<b>Total</b>	<b>32.76</b>	<b>32.76</b>

- 4.1 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.
- 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. Investments Accounted For Using Equity Method : Interest In Joint Venture

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through other comprehensive income (FVTOCI)		
M/s Premier Tissues India Ltd	-	1,600.14
(Previous year 56,20,427 unquoted and non traded Equity Shares face value Rs 10/- each fully paid up)		
Reconciliation to carrying amounts		
Opening carrying amount	-	1,668.38
Investment in Joint venture during the year	-	
Profit & Loss for the period 01-04-2019 to 12-09-2019 (previous year 08-11-2018 to 31-03-2019)		29.55
Other comprehensive income	-	
Investment in Joint venture converted as subsidiary		(1,697.93)
<b>Closing carrying value</b>	-	-

## 6. Loans (non-current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Unsecured, Considered Good</b>		
Security Deposits with various authorities	167.57	148.23
<b>Total</b>	<b>167.57</b>	<b>148.22</b>

\*There is no amount due from director, other officer of the Companies or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.(previous year -Nil)

## 7. Other financial assets (Non current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Earmarked Balances with banks</b>		
Bank Guarantee	34.55	33.88
Unpaid Dividend Accounts	151.94	123.61
<b>Total</b>	<b>186.49</b>	<b>157.49</b>

## 8. Other non-current Asset

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Capital Advance to Suppliers	457.65	249.78
Vat Credit Receivable*	173.42	386.08
Advance income tax net of provisions	2.08	2.08
<b>Total</b>	<b>633.15</b>	<b>637.94</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 31 March 2021	As at 31 March 2020
(a) Raw Materials	877.19	603.00
(b) Work in Progress	468.59	300.54
(c) Stores & Spares	278.31	257.57
(d) Finished Goods (other than those acquired for trading)	344.76	470.75
<b>Total</b>	<b>1,968.85</b>	<b>1,631.86</b>

## 10. Trade Receivables (Current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables outstanding Less than one Year		
Unsecured, Considered Good	3,271.83	3,409.58
Unsecured, Considered Doubtful	27.84	29.69
	3,299.67	3,439.27
Less: Impairment provision on Expected Credit Loss Model	27.84	29.69
<b>Total</b>	<b>3,271.83</b>	<b>3,409.58</b>
Receivable from related parties	5.04	14.29
Others	3,294.63	3,424.98
<b>Total</b>	<b>3,299.67</b>	<b>3,439.27</b>



**10.1**

in ₹ Lakhs

Movement in the expected credit loss allowance	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	29.70	27.03
Less: balances written off / Recovered during the year	5.70	3.17
Add: provision made during the year	1.97	5.83
Balance at the end of the year	25.97	29.69

**11. Cash and cash equivalents**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Cash on hand	8.86	10.94
(b) Balances with Banks	-	
- In Current Accounts	711.40	310.19
- In short term deposits	193.03	10.50
<b>Total</b>	<b>913.29</b>	<b>331.63</b>

**12. Other bank balances**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(b) Balances with Banks		
- Deposit Accounts - Unpaid Dividend - F.Y.19-20	37.20	29.82
- In short term deposits	199.16	121.56
<b>Total</b>	<b>236.36</b>	<b>151.38</b>

**13. Loans (current)**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, Considered Good		
Inter Corporate Deposits	3,730.00	1,150.00
Other Body Corporate	-	100.00
<b>Total</b>	<b>3,730.00</b>	<b>1,250.00</b>

## 14. Other financial assets

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Interest Accrued	0.51	31.70
Other Deposit	0.02	16.60
Other Current Asset - Udumelpet equipments (held for Sale)	384.27	392.74
<b>Total</b>	<b>384.80</b>	<b>441.04</b>

## 15. Other current assets

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
GST Tax Credit Receivable	416.59	431.43
Advance to Creditors	60.13	61.06
Advances to Employees	3.83	2.44
Others	9.97	61.64
Prepaid Expense (Unsecured, considered good)	41.52	32.05
<b>Total</b>	<b>532.04</b>	<b>588.62</b>

## 16. Equity Share capital

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b> 7,00,00,000 Equity shares of ₹ 5 each (7,00,00,000 Equity shares of ₹ 5 each)	3,500.00	3,500.00
<b>Issued, Subscribed and Paid up capital</b> 5,42,67,529 Equity shares of ₹ 5 each (4,94,67,529 Equity shares of ₹ 5 each)	2,713.38	2,473.38

## 16.1

in ₹ Lakhs

Reconciliation of the number of shares	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Balance as at the beginning of the year	70000000	3,500.00	70000000	3,500.00
Changes in Authorised Equity Share capital during the year	0	-	0	-
Balance as at the end of the year	70000000	3,500.00	70000000	3,500.00
<b>Issued Share Capital</b>				
Balance as at the beginning of the year	49467529	2,473.38	47217529	2,360.88
Preferential issue of shares	4800000	240.00	2250000	112.50
Balance as at the end of the year	54267529	2,713.38	49467529	2,473.38

## 16.2

in ₹ Lakhs

Promoters and Shareholders holding more than 5% shares in the parent company	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	%	No. of Shares	%
Minal Bharat Patel	11099096	20.45%	9974096	20.16%
Bharat Jayantilal Patel	8944406	16.48%	7818906	15.81%
Ruchit Bharat Patel	3773280	6.95%	2498280	5.05%
Annie Guat Khuan Chew	3059556	5.64%	3059556	6.18%
Hardik Bharat Patel	3551768	6.54%	2276768	4.60%
Kerala State Industrial Development Corporation	2736000	5.04%	2736000	5.53%
Dhiren S Shah	137691	0.25%	224755	0.45%

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

The parent company has one class of equity shares having a par value of `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.

The Board of Directors have recommended a Final Dividend of ₹1.30/- per share (on fully paid up share of ₹5/- each) for FY 2020-21 and is subject to approval of shareholders in the ensuing Annual General Meeting.

## 17. Other equity (Reserves & Surplus)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Share Application Money pending allotment		
As per last balance sheet	239.06	-
Add: Preferential Issue of Share/Application money received	(239.06)	239.06
	-	239.06
Reserves & Surplus		
Securities Premium		
As per last Balance Sheet	2,543.75	1,700.00
Add: Premium on Shares issued under preferential issue	1,570.50	843.75
	4,114.25	2,543.75
General Reserves		
As per last Balance Sheet	493.24	417.60
Add: Transferred from Retained Earnings	147.82	75.64
	641.06	493.24
Retained Earnings		
As per last Balance Sheet	9,784.45	8,859.96
Add: Profit for the year	3,342.67	1,569.38
Less Appropriations		
Dividend on Equity Shares including taxes	593.61	569.25
Transferred from Retained Earnings	147.82	75.64
	12,385.69	9,784.45
Other Comprehensive Income		
Remeasurements of Defined Benefit Plans	(67.68)	(63.65)
As per last Balance Sheet	(67.50)	(4.03)
Add: Movement in OCI (Net) during the year	(135.18)	(67.68)
<b>Total</b>	<b>17,005.82</b>	<b>12,992.82</b>

### 17.1 Nature and purpose of reserves :

- 1 Securities premium represents amounts received in excess of par value on issue of shares.
- 2 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.
- 3 "Retained earning : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve , dividends or other distributions paid to shareholders."

- 4 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.

## 18. Other financial liabilities (Non-current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Security Deposits	49.05	65.70
Leased Liability	55.56	-
<b>Total</b>	<b>104.61</b>	<b>65.70</b>

## 19. Provisions (non-current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Contingent Liabilities		
Provision for Tripura VAT Receivable	173.42	173.42
Provision for contingencies*	674.00	524.00
	<b>847.42</b>	<b>697.42</b>
Other Provisions :		
Sales Tax Differential Payable	0.54	3.17
Leave Encashment Liability	98.95	94.86
Provision for Gratuity	6.21	39.61
<b>Total</b>	<b>953.11</b>	<b>835.06</b>

- 19.1 \* 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 precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The group 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.

## 20. Other non-current liabilities

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Other advances received	1.30	0.50
<b>Total</b>	<b>1.30</b>	<b>0.50</b>

## 21. Trade Payable (current)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Outstanding dues of Micro Enterprises and Small Enterprises	36.62	19.16
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,461.23	2,208.32
<b>Total</b>	<b>2,497.85</b>	<b>2,227.48</b>

### 21.1 Note:

i. Dues to micro enterprises and small enterprises:

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro enterprises and small enterprises amounting to ₹ 36.62 Lakhs (Previous Year: ₹ 19.16 Lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	0.06	0.04
Interest paid in terms of Section 16 of MSMED Act	-	-
Amount of payments made to supplier beyond the appointed day	36.62	19.16
Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006	-	-
Amount of Interest accrued and remaining unpaid	0.06	0.04
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006	-	-

## 22. Other Financial Liabilities

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unpaid Dividend	189.14	153.42
Ruchit Bharat Patel	-	775.00
Leased Liability	8.81	-
<b>Total</b>	<b>197.95</b>	<b>928.42</b>

## 23. Current Tax Liabilities (Net)

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Taxation	24.99	13.80
<b>Total</b>	<b>24.99</b>	<b>13.80</b>

**24. Other Current Liabilities**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory Dues Payable	343.99	244.58
Advances received from Customers	317.30	105.99
Payable to employees	196.68	104.67
Other Payables	95.89	102.11
<b>Total</b>	<b>953.86</b>	<b>557.35</b>

**25. Provisions (Current)**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for Employee Benefits		
Provision for Salary Arrears, Bonus & Production Incentive	124.98	54.91
Provision for Leave encashment	34.85	12.66
Terminal benefit Liability (Gratuity Benefit)	124.50	27.27
<b>Total</b>	<b>284.33</b>	<b>94.84</b>

**26. Revenue from Operations**

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) Sale of Products*		
HRLRT	26,923.40	22,579.92
Paper	5,282.12	3,024.83
(b) Other Operating Revenues	89.01	196.03
<b>Total</b>	<b>32,294.53</b>	<b>25,800.78</b>

**26.1**

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of Products comprises		
Manufactured Goods HRLRT	26,923.40	22,579.92
Paper	-	3,024.83
<b>Total</b>	<b>26,923.40</b>	<b>25,604.75</b>

## 27. Other Income

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income		
On deposits with banks and other balances	81.16	44.54
On Inter Corporate Deposits	124.13	175.31
(b) Net (gain) / loss on Foreign currency transactions and translations (considered as Finance Cost)	44.91	38.34
Miscellaneous Income	4.14	12.95
Unclaimed creditors writtenoff	1.36	202.31
Profit on sale of Fixed asset	0.05	0.19
<b>Total</b>	<b>255.75</b>	<b>473.64</b>

## 28. Cost of Materials Consumed

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening Stock	916.51	697.81
Add: Purchases	21,189.18	18,427.99
Less: Closing Stock	1,437.59	627.83
<b>Cost of Materials consumed</b>	<b>20,668.10</b>	<b>18,497.97</b>
Material consumed comprises:		
Latex / Chemicals	18,436.70	17,146.37
Latex / Chemicals	2,231.40	1,351.60
<b>Total</b>	<b>20,668.10</b>	<b>18,497.97</b>

## 29. Changes in inventories of Finished Goods Work-in- Progress and Stock in Trade

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Closing Stock</b>		
Finished Goods	470.18	470.75
<b>Opening Stock</b>		
Finished Goods	578.28	390.85
<b>Total ((ii) - (i))</b>	<b>108.10</b>	<b>(79.90)</b>



**30. Employee Benefit Expense**

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries & Wages	1,906.16	1,389.16
Contributions to Provident and Other funds	116.89	99.19
Staff Welfare Expense	103.25	74.25
<b>Total</b>	<b>2,126.30</b>	<b>1,562.60</b>

**31. Finance Costs**

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Expense on	-	-
Interest paid	25.39	-
<b>Total</b>	<b>25.39</b>	<b>-</b>

**32. Other Expenses**

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
CSR Expenses	52.99	41.10
Directors Sitting Fee	12.90	7.90
Dividend Distribution expenses	4.59	2.84
Donations & Contributions	3.85	2.13
Effluent Treatment Expense	195.29	225.35
Legal & Professional expenses	97.16	71.61
Loss on derecognition of PPE	9.90	-
Administrative expenses	126.63	121.89
Office expenses	256.28	241.55
Provision for contingencies	150.00	120.00
Provision for Bad and Doubtful Debts	127.56	5.25
Less: Bad Debts provided in the Previous year recovered	(6.85)	(3.25)
Repairs and maintenance	363.26	229.31
Secretarial Expense	9.49	9.49
Selling and distribution expenses	1,088.08	853.53

Power & Fuel	1,598.83	1,303.46
Payment to Auditors		
For Statutory audit	8.84	5.64
For Cost Audit	0.50	0.50
Reimbursement of Expenses	-	0.11
<b>Total</b>	<b>4,099.29</b>	<b>3,238.42</b>

### 33. Deferred tax liabilities (Net)

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance recognized in profit or loss	738.53	335.90
Opening balance recognized in other comprehensive income	-	-
<b>Recognised in profit or loss</b>		
<b>Deferred tax liability</b>		
Arising on account of difference in carrying amount and tax base of PPE and Intangibles	1,161.58	1,020.52
	<b>1,161.58</b>	<b>1,020.52</b>
<b>Deferred tax asset</b>		
Leave Encashment Liability	28.65	62.44
Provision for Gratuity	36.13	-
Provision for Doubtful debts	12.37	7.47
Sales Tax Liability	0.14	0.81
Sales Tax Liability	42.19	
Provision for Contingent Liability	213.28	178.72
	<b>332.76</b>	<b>249.44</b>
<b>MAT credit</b>		
Add: Minimum Alternate Tax Credit Entitlement Mat Credit Entitlement	21.42	32.56
<b>Recognised in other comprehensive income</b>		
Tax expense during the year recognized in the OCI	22.71	-
<b>Net deferred tax (liability) / asset</b>	<b>(807.40)</b>	<b>(738.52)</b>
<b>Deferred tax expense / (Income)</b>	<b>68.88</b>	<b>81.91</b>
Closing balance recognized in profit or loss	(68.88)	(81.91)
Closing balance recognized in other comprehensive income	22.71	-

### 34. Other comprehensive income

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) (i) Items that will not be reclassified to profit or loss (net)	-	-
Actuarial Gain /Loss of defined Employee benefit plan	(90.21)	4.03
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 and Loss	22.71	-
(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	-	-
<b>Total</b>	<b>(67.50)</b>	<b>4.03</b>

### 35. Earnings per share

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Earnings per share of ₹ 5 each</b>		
Net Profit for the year (in ₹ lakhs)	3,275.18	1,565.31
<b>Basic Earnings per share</b>		
Weighted Average No. of Equity Shares	51311913	47414789
Basic EPS (in Rs. Ps.)	6.38	3.30
<b>Diluted Earnings per Share</b>		
Weighted Average No. of Equity Shares	51744961	48148825
Diluted EPS (in Rs. Ps.)	6.33	3.25

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.

### 36. Corporate social responsibility

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 parent Company as per the Act. The funds were primarily allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

The Company was required to spend an amount of ₹ 51.39 Lakhs (Previous Year ₹ 50.10 Lakhs) being 2% of the average net profits of the three immediately preceding financial years on CSR as per the provisions of section 135 of the Companies Act, 2013. The Company has during the year spent ₹ 52.99 Lakhs.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Gross amount required to be spent	51.39	50.10
Amount spent during the year	52.99	41.10
(i) Construction / Acquisition of any Asset	-	-
(ii) On purposes other than (i) above	52.99	41.10
(Excess)/Short spent*	(1.60)	9.00
Total Eligible Amount	51.39	41.10

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

The group 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 31 March 2021 and for the year ended 31st March 2020.

#### 37.1 During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

in ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Employer's contribution to Provident Fund and Family Pension Fund	100.76	97.34
Employer's contribution to Superannuation Fund	3.78	3.78
Gratuity - Funded	146.97	21.40
Leave Encashment - Unfunded	29.95	44.06

#### 37.2 The valuation results for the defined benefit gratuity plan as at 31-3-2021 are produced in the tables below:

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>1. Assumption</b>		
Discount Rate	7.11%	6.84%-6.87%
Salary Escalation	7.55%-8%	7%-7.55%
Attrition Rate	3%-7%	3%-7%
<b>2. Table showing changes in the present value of Obligation</b>		
Present value of Obligation as at the beginning of the year	542.14	440.87
Interest Cost	37.15	32.96
Current Service Cost	37.38	36.59

Particulars	As at 31 March 2021	As at 31 March 2020
Benefits paid	(7.52)	(14.21)
Actuarial (gain) / Loss on obligation	67.04	45.93
Present value of Obligation as at the end of the year	676.19	542.14
<b>3. Table showing changes in Fair Value of Plan Assets</b>		
Fair Value of Plan assets at the beginning of the year	475.26	323.43
Expected return of Plan assets	34.28	29.49
Contributions	52.00	130.85
Benefits paid	(7.52)	(14.21)
Actuarial (gain) / Loss on Plan assets	(33.97)	5.70
Fair Value of Plan assets at the end of the year	520.05	475.26

**37.3 The valuation results for the unfunded Leave Encashment as at 31-3-2021 are produced in the tables below:**

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>1. Assumption</b>		
Discount Rate	7.11%	6.87%
Salary Escalation	8.00%	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	89.70	90.00
Interest Cost	5.96	6.98
Current Service Cost	34.80	29.92
Benefits paid	(5.82)	-
Actuarial (gain) / Loss on obligation	(10.81)	(37.20)
Present value of Obligation as at the end of the year	113.83	89.70

## 38. SEGMENT INFORMATION

The Parent company is engaged in the manufacture and 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 parent company has only one primary segment 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:**

in ₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	Assets	Revenues	Assets	Revenues
<b>Out side India</b>				
Asia	89.67	1,950.20	58.74	1,700.69
Europe	42.58	190.15	-	190.90
Africa	24.01	52.93	-	-
America	250.15	2,336.72	80.20	551.60
<b>Within India</b>	2,612.58	22,393.40	3,028.39	20,136.73
<b>Total</b>	<b>3,018.99</b>	<b>26,923.40</b>	<b>3,167.33</b>	<b>22,579.92</b>

The subsidiary company has only one primary segment namely Manufacture and sale of Heat tissue papers 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.

Particulars	As at 31 March 2021		As at 31 March 2020	
		Revenues		Revenues
<b>Out side India</b>		3.83		72.42
<b>Within India</b>	-	5,278.29	-	5,271.26
<b>Total</b>		<b>5,278.29</b>		<b>5,271.26</b>

The subsidiary company is domiciled in India. Revenues from external customers attributed to an individual foreign country are not material, accordingly, it is not disclosed separately.

### 39. 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 other related parties and nature of relationship

Key Management Personnels	Mr. Gopinathan Pillai Krishnakumar	Managing Director
	Mr. Nurani Neelakantan Parameswaran	CFO &CS
Other Related Parties	Mr. Bharat Jayantilal Patel	Chairman
	Mr. Bharat Jamnadas Dattani	Director
	Mr. Hardik Bharat Patel	Director
	Mr. Patrick Michael Davenport	Director
	Mr. Dhiren Shah Shevantilal	Director
b Companies in which Directors are interested:	M/s Moneybee Securities Pvt Limited	
c Promoter Group	Mr.Ruchit Bharat Patel	

**39.1 Transactions with related parties**

Related Party	Nature of Transaction	2020-2021	2019-2020
Mr. Gopinathan Pillai Krishnakumar	Compensation for services	109.33	81.38
Mr. Nurani Neelakantan Parameswaran	Compensation for services	64.70	53.22
M/s Moneybee Securities Pvt Limited	Consultancy Expenses	-	8.00
Mr.Ruchit Bharat Patel	Purchase of Investments	-	1,600.00

**39.2 Outstanding Balances**

	As at 31 March 2021	As at 31 March 2020
Mr.Ruchit Bharat Patel	-	775.00

Key Managerial Personnel who are under the employment of the company are entitled to post-employment benefits and other long term employee benefits recognized as per Ind AS 19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

## 40. DETAILS OF PROVISION FOR CONTINGENT LIABILITY

in ₹ Lakhs

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

	As at 31 March, 2020	Additions	Reversal	As at 31 March, 2021
Provision for Expenses - Tripura VAT	<b>173.42</b>	-	-	<b>173.42</b>
	<i>173.42</i>	-	-	<i>173.42</i>
Provision for Contingencies	<b>524.00</b>	250.00	-	<b>774.00</b>
	<i>404.00</i>	<i>120.00</i>	-	<i>524.00</i>
<b>Total</b>	<b>697.42</b>	250.00	-	<b>947.42</b>
	<i>577.42</i>	<i>120.00</i>	-	<i>697.42</i>

Note: Figures in Italics relates to Previous year

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

in ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Claim against the Company not acknowledged as debt:		
Duty Draw Back (excluding interest)*	391.73	391.73
(a) Intercorporate deposits pending settlement		
Raveena Hotels Private Limited	-	50.00
Income tax liability that may arise in respect of matters pending	0.58	0.58
Sales tax liability that may arise in respect of matters pending	33.67	65.74
<b>Total</b>	<b>425.98</b>	<b>508.05</b>

\*The interest on the duty drawback excess claimed in the years 2001-2003 could not be quantified.

**41.1** The company has pending the following litigations with various courts and which in its opinion has no impact on its financial position in the financial statements as on 31 March 2021

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 Hnble High Court of Kerala



41.2			
No	For / Against the company	Date of admission	Status
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 before DRT
3	Commissioner of GST (Agartala) (Financial Impact - Rs.1054.35 Lacs)	2020-2021	Revision Petition before the Commissioner of Taxes, Agartala
4	Sub-Registrar Keerannure (Financial Impact - Rs.45.36 Lacs)	2020-2021	Writ petition filed before the Honble High Court of Tamil Nadu - pending hearing

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings, as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

## 42. 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.

## 43. 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 group 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 group has not availed any loans other than for a short term inter corporate loan, hence the exposure to interest rate risk is minimal. (Previous year- Nil)

#### 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 group'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	(₹ Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Financial assets	499.56	133.12
Financial Liabilities	(165.01)	(22.97)

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. 6.69 Lakhs (previous year Rs. 2.20 Lakhs) The Sensitivity analysis is prepared on the net unhedged exposure of the group 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 instability of certain commodities. Due to the significantly increased volatility of certain commodities like latex, acetic acid and other chemicals, the group 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 equity investments as the group has no investments in equity shares during the year.

## 2 Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group is exposed to credit risk for receivables, 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 group 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 group 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.3018.99

Lakhs and Rs.3167.33 Lakhs as of 31 March 2021 and 31 March 2020 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 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	29.69	30.19
Impairment loss recognised	106.45	5.28
Impairment loss reversed	5.69	5.78
Balance at the end of the year	130.45	29.69

(₹ Lakhs)

### 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 group's short-term, medium-term and long-term funding and liquidity 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 liabilities.

### 4 Interest Rate Risk

The group is a zero-debt group as on 31 March 2021 (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 2021 is Rs.10661.42 lakhs (previous year Rs.7,805.03 Lakhs). Financial assets of Rs.711.30 lakhs (previous year Rs.298.06 Lakhs) as at March 31, 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the group has assessed the counterparty credit risk. Trade receivables of Rs.2993.57 lakhs as at March 31, 2021 (previous year Rs.3138.19 Lakhs) 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 any abnormal credit loss though supplying to an unorganised sector. The allowance for doubtful trade receivables of Rs. 25.42 lakhs as at March 31, 2021 (previous year Rs.29.14 Lakhs) is considered adequate.

## 44. EVENTS AFTER THE REPORTING PERIOD

The proposed final dividend for Financial Year 2020-21 amounting to Rs. 705.48 Lakhs (Previous year Rs.593.61 Lakhs) will be recognised as distribution to owners during the financial year 2021-22 on its approval by Shareholders. The proposed final

dividend per share amounts to Rs 1.30/- (Previous year Rs.1.20/-)

## 45. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for -Rs. 1750 Lakhs (Previous Year - 800 Lakhs).

## 46. FAIR VALUE MEASUREMENTS

The Management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying values largely due to the short-term maturities of these instruments.

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As at 31st March 2021			As at 31st March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Loans	-	-	3,897.57	-	-	1,398.23
Other financial assets	-	-	571.28	-	-	598.53
Trade Receivables	-	-	3,271.83	-	-	3,424.37
Cash and cash equivalents	-	-	913.29	-	-	331.62
Other bank balances	-	-	236.36	-	-	151.38
<b>Financial Liabilities</b>						
Trade Payables	-	-	2,502.89	-	-	2,241.94
Trade Payables	-	-	64.37	-	-	-
Other Financial liabilities	-	-	238.19	-	-	994.12

### Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are (a) recognized and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows the underneath table:

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Instruments at FVTOCI	-	-	-	-
Financial Instruments at FVTPL	-	-	-	-
Financial Instruments at Amortized cost	-	1,149.65	7,740.69	8,890.33
Financial Liabilities	-	-	2,805.45	2,805.45

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Instruments at FVTOCI	-	-	-	-
Financial Instruments at FVTPL	-	-	-	-
Financial Instruments at Amortized cost	-	483.00	5,421.13	5,904.13
Financial Liabilities	-	-	3,236.06	3,236.06

Level 1: Level 1 hierarchy included financial instruments measured using quoted prices. This included listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

47 The Company has not made any contribution to electoral trusts in the current year and previous year.

As per our reports attached.

For **CYRIAC & ASSOCIATES**

Chartered Accountants

Firm No : 0140335

**Jim Cyriac** Partner

Membership No : 230039;

Place : Thiruvananthapuram

Date : 25th May 2021

For and on behalf of the Board of Directors

**RUBFILA INTERNATIONAL LTD**

**Dhiren S Shah**

DIN 1149436

Director

**G.Krishna Kumar**

DIN 01450683

Managing Director

**N.N. Parameswaran** AESPP2437E

Chief Finance Officer & Company Secretary

Place : Palakkad

Date : 25th May 2021