

- **BOARD OF DIRECTORS**

**Sh. Nand Khemka**  
(Chairman cum Managing Director)

**Sh. P. R. Khanna**

**Sh. R. Parameswar**

**Ms. Bindu Saxena**

**Sh. Shiv Khemka**

**Sh. Uday Khemka**

**Sh. K. K. Kapur**  
(CEO & Whole-Time Director)

- **REGISTERED OFFICE**

11, Community Centre, Saket,  
New Delhi-110017

- **WORKS**

1. Village Jhiriwala, Hadbast No. 73,  
Nalagarh, District Solan (HP)
2. Plot No. SP 86, Industrial Area,  
Bhiwadi-301019, Dist.Alwar, (Rajasthan)

- **BANKERS**

State Bank of Bikaner & Jaipur  
HDFC Bank

- **STATUTORY AUDITORS**

M/s. S. R. Batliboi & Co. LLP  
Chartered Accountants  
Office No. 601, 6th Floor,  
World Mark 1, Aerocity, New Delhi – 110037

- **INTERNAL AUDITORS**

M/s. Khanna & Annadhanam  
Chartered Accountants  
706, Akash Deep Building, 26-A,  
Barakhamba Road, New Delhi – 110001

- **COST AUDITORS**

M/s. Shome & Banerjee  
Cost Accountants  
Pocket – C, Siddhartha Extension,  
New Delhi - 110014

## CONTENTS

Notice	3
Notice for Unpaid Dividends	10
Director's Report	11
Compliance with Code of Conduct	17
Particulars of Employees under section 134 and 197 of the Act	18
CSR Policy and Report	20
Secretarial Audit Report	22
Extract of Annual Return	25
Conservation of energy and Technology absorption	34
Report on Corporate Governance	35
Compliance Certificate on Corporate Governance	45
Auditor's Report	46
Balance Sheet	52
Profit & Loss Account	53
Cash Flow Statement	54
Notes to the Financial Statements	55

## INDAG RUBBER LIMITED

CIN L74899DL1978PLC009038

Regd. Office: 11, Community Centre, Saket, New Delhi-110017.

Ph. No. 011-26963172/73; E-mail Id:- info@indagrubber.com; Website: www.indagrubber.com

### NOTICE

**NOTICE IS HEREBY GIVEN THAT THE THIRTY-SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDAG RUBBER LIMITED WILL BE HELD ON FRIDAY, 27<sup>TH</sup> DAY OF MAY, 2016 AT 10:00 A.M. AT SAI INTERNATIONAL CENTRE, PRAGATI VIHAR, LODHI ROAD, NEW DELHI-110003 TO TRANSACT THE FOLLOWING BUSINESS:**

#### AS ORDINARY BUSINESS:

1. To receive, consider and adopt Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of the Profit & Loss alongwith Cash Flow Statement and Notes to the Accounts for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.K.Kapur (DIN 00745117), who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the recommendation of the Board of Directors, final dividend at the rate of Rs. 1.50/- per equity share of Rs. 2/- each (75%), in addition to the interim dividend of Rs. 0.90/- per equity share of Rs. 2/- each (45%) already paid, be and is hereby declared out of the current profits of the company and that the same be paid, to those Members whose names appear on the Company's register of members on 27 May, 2016.”

4. To ratify the appointment of Statutory Auditors of the Company, 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 139 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rule, 2014 the members of the company do hereby ratify the appointment of M/s. S. R. Batliboi & Co. LLP (Registration no.301003E) Chartered Accountants as Statutory Auditors of the Company to hold office upto the conclusion of 38<sup>th</sup> Annual General Meeting, who were appointed in the 35<sup>th</sup> Annual General Meeting (held on 25<sup>th</sup> July, 2014) to hold office for a period of 3 years until the conclusion of the 38<sup>th</sup> Annual General Meeting, on a remuneration plus reimbursement of out-of-pocket expenses, as may be mutually agreed to between the Board of Directors and the Auditors.”

#### AS SPECIAL BUSINESS:

5. **Fixation of the remuneration of the Cost Auditors of the company for the financial year 2016-17.**

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 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and on the recommendation of the Board of Directors, consent of the members be and is hereby accorded for the payment of remuneration of Rs. 1,00,000/- plus service tax and out of pocket expenses and on terms and conditions as may be mutually agreed between the Board of Directors and M/s. Shome & Banerjee, (Registration No. 000001) Cost Accountants, Cost Auditors of the Company for the financial year commencing from 1<sup>st</sup> April, 2016 till 31<sup>st</sup> March, 2017.”

6. **Appointment of Mr. Shiv Vikram Khemka (DIN - 01214671) as a 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 161 and any other applicable provisions of the Companies Act, 2013, Mr. Shiv Vikram Khemka (DIN-01214671) who was appointed as an additional director of the company and holds office upto the date of thirty-seventh Annual General Meeting is eligible for re-appointment and in respect of whom a notice under section 160 of the Companies Act, 2013, has been received from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.”

7. **Reappointment of Mr. K.K. Kapur (DIN- 00745117) as a Whole time director of the Company.**

To consider and if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUITION**

“RESOLVED THAT pursuant to the provision of Section 196, 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act, consent of the members be and is hereby accorded for the re-appointment of Mr. K. K. Kapur (DIN-00745117) as Whole-time Director (Key Managerial Personnel designated as Chief Executive Officer) of the Company for a period of 3 years with effect from 1<sup>st</sup> June, 2016 who has attained the age of 78 years, upon the terms and conditions and remuneration as set out below, which may be altered, modified or varied by the Board of Directors.

**(A)** The Whole Time Director shall control day-to-day affairs of the Company and its business affairs subject to the ultimate supervision and control of Board of Directors.

**(B)** Period of Agreement: Three Years w.e.f. June 1, 2016

**(C) REMUNERATION**

1) Salary : Rs. 7,00,000 per month (Rupees Seven Lacs per month)

2) Bonus : The Whole Time Director (Chief Executive Officer) will also be entitled to bonus, which shall be computed as follows :-

Ceiling under Section 197 of the Companies Act, 2013 of 5% (Five percent) of the net profits computed in accordance with Section 198 of the Companies Act, 2013 reduced by the remuneration actually paid and perquisites (if any) actually reimbursed to him.

3) Perquisites :

a. Car with driver and telephone: The Company shall provide car(s) with driver(s) and telephone (s) for official and personal purposes.

b. Leave: Leave with full pay and allowance during the tenure and encashment of leave at the end of tenure shall be allowed as per the Company's rules.

c. Mediciam Insurance and Personal Accident Insurance: Premium paid on Mediciam Policy and Group Personal Accident Policy for self and spouse.

d. Liability Insurance: Premium paid on Director's and Officer's Liability policy taken by the company shall not be treated as part of the remuneration, unless he is proved guilty.

e. Provident Fund: Company's Contribution to Provident Fund.

f. Gratuity: Gratuity shall be payable in accordance with the Payment of Gratuity Act, 1972. For this purpose, he will be deemed to have been in continuance service of the company since 9<sup>th</sup> April, 2001.

All the above perquisites and other benefits would be subject to the applicable Company policy.

RESOLVED FURTHER THAT the above remuneration payable to Mr. K. K. Kapur is subject to the condition that the total remuneration including perquisites shall not exceed 5% of the net profits individually and 11% of the net profits collectively payable to all the Directors as calculated in accordance with Section 198 of the Companies Act, 2013 or any amendments thereto or any other provisions may be applicable.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. K. K. Kapur as Whole Time Director, the Company incurs losses or its profits are inadequate, the Company shall pay to Mr. K. K. Kapur, the above remuneration by way of fixed salary, perquisites, allowances and other benefits, subject to the limits, restrictions / requirements stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013 and related statutory regulations.

The Board is authorised to increase, vary or amend the remuneration including salary, allowances, perquisites and other benefits, minimum remuneration and other terms of appointment, from time to time, as deemed expedient or necessary.

**Other Terms and conditions:**

- 1) The Whole Time Director shall not become interested or otherwise concerned directly or through his wife and/ or children in any buying and selling agency of the Company in future without the prior approval of the Board of Directors or subject to such other approvals as may be considered necessary.
- 2) The Whole Time Director shall not be entitled to fees payable to Directors for attendance at Board Meetings and all other Committees appointed by the Board.
- 3) The Agreement may be terminated by either party by giving to the other three-month notice of such termination. The Whole Time Director will not be entitled to any compensation for loss of office due to termination under Section 202 of the Companies Act, 2013 or otherwise.
- 4) The Whole Time Director shall exercise such power and function and on such term as the Board of Directors of the company may prescribe from time to time, it being agreed and understood that the Board shall have the power to alter, modify, revoke or withdraw all or any of the powers so conferred.
- 5) The Whole Time Director shall be liable to retire by rotation”.

By Order of the Board of Directors  
For **Indag Rubber Limited**

**Manali D Bijlani**  
Company Secretary  
F4704

Date : April 14, 2016  
Place: New Delhi

## NOTES

As Indag Rubber Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide remote e-voting facility to members in terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 37th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

**This notice is sent to all the members whose name appears as on April 22, 2016 in the Register of Members.**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A proxy appointed by a member holding more than 10 percent of the total share capital of the Company carrying voting rights shall not act as proxy for any other member.
3. Members/ Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> May, 2016 to 27<sup>th</sup> May, 2016 (both days inclusive).
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
6. Final Dividend of Rs.1.50/- per equity share of Rs. 2/- each (75 %) has been recommended by the Board of Directors, subject to the approval of the shareholders at the ensuing Annual General Meeting for the year ended on 31<sup>st</sup> March, 2016 is proposed to be paid on and from June 10, 2016. Interim Dividend for the year 2015-2016 of Rs. 0.90/- on per equity share of Rs. 2/- each (45%), was declared on November 04, 2015 and paid on November 26, 2015.
7. Members holding the shares in electronic form are advised to get their bank mandate updated with their respective Depository Participant as the bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. Members holding the shares in physical form are requested to write to the Company for the registration or change of bank mandates for the payment of Dividend.
8. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company earlier.
9. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding the shares in physical form can submit their PAN details to the Company.
10. Members seeking further information about the accounts are requested to write atleast 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
11. Members are requested to inform the Company's Registrar and Share Transfer Agent i.e. Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 about the changes, if any, in their registered address along with the Pin Code, quoting their Folio Number and DP ID. All correspondence relating to transfer of shares may be sent directly to the aforesaid Registrar and Share Transfer Agent of the Company.
12. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be supplied again at the meeting as a measure of economy.
13. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail remote e-voting facility in respect of the resolutions which would be passed at the General Meetings of the Company.

14. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.
15. Members may kindly note that bags, eatables, laptops, arms, ammunitions or any other harmful/dangerous objects are not allowed inside the Auditorium at the meeting venue.
16. Members may also note that the Notice of 37<sup>th</sup> Annual General Meeting and Annual Report for the year 2015-2016 is also available on the website of the Company [www.indagrubber.com](http://www.indagrubber.com) for their download.
17. **Voting through electronic means**
  - a) In compliance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide remote e-voting facility to the members of the Company to exercise their right to vote in respect of the resolutions to be passed at the 37<sup>th</sup> Annual General Meeting.
  - b) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Friday, 20<sup>th</sup> May, 2016 (the "Cut-off Date") only shall be entitled to vote through remote e-voting and at the AGM. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-off date.
  - c) At the venue of AGM, voting shall be done through ballot papers and the members attending AGM who have not casted their vote by remote e-voting shall be entitled to cast their vote through Ballot papers.
  - d) Instructions for remote e-voting are as under-**
    - i. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
    - ii. Click on Shareholder – Login
    - iii. Enter your User ID and existing password. The User –id is your Demat account number which is (DP-ID + CLIENT –ID)
    - iv. Click Login
    - v. Home page of "e-Voting" appears. Click on e-Voting-Active Voting Cycles
    - vi. Select E-Voting Event Number (EVEN) of Indag Rubber Limited for casting vote in favour or against the Item(s) of business. (Kindly note that vote once casted cannot be modified. For an EVEN, you can log-in any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end date of voting period i.e up to close of 26<sup>th</sup> May, 2016, whichever is earlier).
    - vii. Now you are ready for 'e-Voting' as 'Cast Vote' page opens. Voting period commences on and from Tuesday, 24<sup>th</sup> May, 2016 at 9:00 am and ends on Thursday 26<sup>th</sup> May, 2016, 2016 at 5:00 pm.
    - viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - ix. Once you have voted on the resolution, you will not be allowed to modify your vote.
    - x. Institutional shareholders (ie other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/ JPG format) of the relevant Board resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through email at [scrutinizer@indagrubber.com](mailto:scrutinizer@indagrubber.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - e) The remote e-voting period shall commence on Tuesday, 24<sup>th</sup> May, 2016 (9:00 am) to Thursday 26<sup>th</sup> May, 2016 (5:00 pm). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 20<sup>th</sup> May, 2016 (cut-off date) may cast their vote electronically. Thereafter, the portal shall be disabled by the NSDL for voting. Members may note that once the vote on a resolution is cast, it cannot be changed subsequently.
  - f) Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting and that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  - g) Persons who have acquired shares and become members of the Company after dispatch of Notice of AGM but before cut-off date of 20<sup>th</sup> May, 2016 may obtain their USER ID and password for remote e-voting from Skyline Financial Services Pvt. Ltd., D-153/A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi-110020 or NSDL.

- h) In case of queries, you may refer the “Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members” available at the ‘downloads’ section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com). For any further grievance related to the remote e-voting, members may contact NSDL at the following contact information: Phone No. +91 22 24994600/24994738, Toll Free no. 1800222990
- i) The Board of Directors has appointed Mr. Kanishk Arora of M/s. Kanishk Arora & Co., Practicing Company Secretary, as the Scrutinizer for conducting remote e-voting in a fair and transparent manner.
- j) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
- k) The results declared alongwith the report of Scrutinizer shall be placed on the website of the Company [www.indagrubber.com](http://www.indagrubber.com) and on the website of NSDL immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of Annual General Meeting.

**18. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 2, 6 and 7 is as follows:**

Particulars	Mr. K.K.Kapur	Mr. Shiv Vikram Khemka
Din	00745117	01214671
Date of Birth	15-10-1937	19-08-1962
Date of Appointment	09-04-2001	14-08-2015
Qualifications	Post-Graduate in Mathematics and Member of the Institute of Cost and Works Accountants of India.	Educated at Eton College, Brown University, and the Lauder program at The Wharton School, University of Pennsylvania.
Experience in specific functional areas	He retired as Chairman cum Managing Director of GAIL. He has served in various capacities with Steel Authority of India Limited, Markfed, Petrofils, GAIL and Enron India.	Mr. Khemka is Vice Chairman of the SUN Group. Mr. Khemka elected a ‘Global Leader for Tomorrow’ (GLT) at the World Economic Forum in Davos in 1997; Serves on the Board of Overseers of The Wharton School, on the President’s Leadership Council at Brown University, and on the International Advisory Board of the School of Oriental and African Studies (SOAS).
Directorship held in other listed entities	Nil	Nil
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders’ Relationship Committee)	Stakeholder Relationship Committee - Indag Rubber Limited	Nil
Number of shares held in the company	Nil	12,50,750 equity shares (jointly holding with Mrs. Urvashi Khemka)
Relationship with any Director(s) of the Company	Nil	Mr. Nand Khemka Mr. Uday Harsh Khemka



## Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

### Item No. 5: Fixation of remuneration of M/s. Shome & Banerjee, Cost Auditors.

M/s. Shome & Banerjee, Cost Accountants were appointed as Auditors of the Company by the Board at its meeting held on 14<sup>th</sup> April, 2016, for the financial year 2016-2017.

Mr. Rakesh Singh, Partner of M/s. Shome & Banerjee, is a Fellow member of the Institute of Cost Accountants of India, and has held the highest post of "President" for the term 2012-13.

The Board of your company after considering the qualification and experience of Shri Rakesh Singh, partner of M/s Shome & Banerjee, thought fit to fix the remuneration of Rs. 1,00,000/- subject to the approval of the members.

M/s. Shome & Banerjee, Cost Accountants are not related to any director of the Company.

None of the Directors, key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Your Directors recommend passing the above resolution.

### Item No. 6: Appointment of Mr. Shiv Vikram Khemka (DIN 01214671) as a Director.

Mr. Shiv Vikram Khemka was appointed as additional director of the company with effect from August 14, 2015 who holds office upto the date of thirty seventh Annual General Meeting of the company.

Notice has been received from member proposing Mr. Shiv Vikram Khemka as candidate for the office of Director of the company.

Mr. Shiv Vikram Khemka is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

Brief resume of Mr. Shiv Vikram Khemka, nature of his expertise in specific functional area and names of companies in which he hold directorships and memberships/ chairmanships of Board Committees, are provided in this Notice.

Mr. Shiv Vikram Khemka does not hold Directorship in any other public company. Mr. Khemka is not the member /Chairman of any Committee of the Board of the Company.

Mr. Shiv Vikram Khemka attended two meetings out of three meetings of the Board of Directors held during his tenure, that is meetings held on August 14, 2015 and February 10, 2016.

Mr. Shiv Vikram Khemka jointly with Mrs. Urvashi Khemka holds 12,50,750 equity shares of the Company.

Mr. Shiv Vikram Khemka is interested in the resolution set out at item no. 6 of the Notice with regard to his appointment.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives except Mr. Nand Khemka and Mr. Uday Harsh Khemka (being relative of Mr. Shiv Vikram Khemka), is interested in the aforesaid resolution.

The Board recommends the Ordinary Resolution set out at Item no. 6 of the Notice for the approval of the shareholders.

### Item No. 7: Appointment of Mr. K. K. Kapur (DIN – 00745117) as a Whole Time Director.

Mr. K. K. Kapur has been re-appointed as a Whole Time Director of the company by the Board of Directors with effect from June 1, 2016, for a period of three(3) years, pursuant to the provisions of the Companies Act, 2013.

Mr. K.K.Kapur was initially appointed as Whole Time Director on 9 April, 2001. Thereafter, his term of office was renewed in the year 2002, 2003, 2004, 2005, 2008 and 2011.

Mr. K. K. Kapur, aged 78 years, is a post- graduate in Mathematics and a Member of the Institute of Cost and Work Accountants of India. Mr. K. K. Kapur has an experience of over 55 years and has served in various capacities with Steel Authority of India Limited, Markfed, Petrofils, GAIL and Enron India.

The terms & conditions of appointment & remuneration of Mr. K. K. Kapur as Whole Time Director are outlined in the resolution placed before the members.

The Nomination and Remuneration Committee and the Board of Directors in their meetings held on 14<sup>th</sup> April, 2016 approved the terms of appointment and remuneration of Mr. K. K. Kapur.

Mr. K.K.Kapur does not hold Directorship in any other public company. Mr. Kapur is a member of the Stakeholder Relationship Committee of the Board of the Company.

Mr. K.K.Kapur attended all the five meetings of the Board of Directors which were held during the year, viz. on April 11, 2015, May 21, 2015, August 14, 2015, November 4, 2015 and February 10, 2016.

Mr. K.K.Kapur does not hold any share of the Company.

The Special resolution as set out in item no. 7 of the annexed notice is, therefore recommended for your approval. The Board considers that it would be in the interest of the Company to appoint Mr. K. K. Kapur as the Whole Time Director of the Company.

Except Mr. K. K. Kapur, no other Director and/or Key Managerial Personnel is interested in the proposed resolution.

By Order of the Board of Directors  
For **Indag Rubber Limited**

**Manali D Bijlani**

Company Secretary

F4704

Date : April 14, 2016

Place: New Delhi

## NOTICE FOR SHAREHOLDERS/INVESTORS FOR UNPAID DIVIDENDS

1. The Shareholders / Investors of Indag Rubber Limited are notified that in pursuance of the section 205A of the Companies Act, 1956 (the Act), the Company is required to transfer amount of Dividends that remain unclaimed / unpaid for a period of seven (7) years from the date on which they were declared, to the Investor Education and Protection Fund (IEPF) established under Section 205C of the Companies Act, 1956.
2. Dividends, including Interim Dividends declared during the following Financial Years shall fall due for transfer to IEPF on completion of a period of seven years from the respective date of declaration of Dividend / Interim Dividend respectively. A table containing the due dates for transfer to IEPF for various years is given below for the information of the Shareholders/Investors:

Financial Year	Dividend –Interim / Final	Due Dates for Transfer to IEPF
2007-08	Final	31 July,2015
2008-09	Final	23 July,2016
2009-10	Interim	14 October,2016
2009-10	Final	31 July,2017
2010-11	Interim	10 November,2017
2010-11	Final	10 August,2018
2011-12	Interim	11 October,2018
2011-12	Final	15 July,2019
2012-13	Interim	9 October,2019
2012-13	Final	20 July,2020
2013-14	Interim	30 October, 2020
2013-14	Final	26 July, 2021
2014-15	Interim	28 September, 2021
2014-15	Final	15 August, 2022
2015-16	Interim	5 November, 2022

3. Shareholders / Investors who have not encashed their Dividend Warrants including Interim Dividends, if any, for any of the aforesaid Financial Years, are requested to lodge their claims by quoting their respective Folio No./DP-Client ID with Company at:

**Company Secretary,  
Indag Rubber Limited  
Khemka House, 11, Community Centre, Saket  
New Delhi-110017  
Phone: 011-26963172-73, Email: info@indagrubber.com**

4. Shareholders are advised to ensure that their claims for unpaid / unclaimed dividend are lodged timely so as to reach the same on or before the date indicated against each year in the table at Sr. No.2 above. The claims received after these dates shall not be entertained and the amount outstanding shall be transferred to IEPF within 30 days of this date as per the relevant provisions of law.
5. Shareholders are requested to note that after the transfer of the amount/s to IEPF, no claim for payment shall lie in respect thereof to the Bank and/or to the Fund.

Date: April 14, 2016



## INDAG RUBBER LIMITED

CIN L74899DL1978PLC009038

Regd. Office: 11, Community Centre, Saket, New Delhi-110017.

Ph. No. 011-26963172/73; E-mail Id:- info@indagrubber.com; Website: www.indagrubber.com

### DIRECTORS' REPORT

To  
THE MEMBERS,

Your Directors are pleased to present the 37th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2016.

#### FINANCIAL RESULTS

Particulars	2015-16 (Rs. In lacs)	2014-15 (Rs. in lacs)
Sales and other Income	25787.81	24527.13
Profit before Finance Cost & Depreciation	5094.13	4424.26
Finance Cost	29.42	23.02
Profit before Depreciation	5064.71	4401.24
Depreciation	2758.70	196.29
Profit before tax	4788.84	4204.95
Profit after tax	3197.45	3258.86
Transfer to General Reserve	-	-
Interim Dividend	236.25	236.25
Proposed Final Dividend	393.75	393.75

#### PERFORMANCE REVIEW

During the year under review your Company has achieved gross revenue of Rs. 257.87 crore as against Rs. 245.27 crore in the previous year. The Profit before finance cost and depreciation amounted to Rs. 50.94 crore as against Rs. 44.24 crore in the previous year.

Profit before tax during the year worked out to Rs. 47.89 crore as compared to Rs. 42.05 crore in the previous year.

#### DIVIDEND

During the year the Board of Directors declared an Interim dividend of Rs. 0.90 per equity share of Rs. 2/- each (45%) on November 4, 2015 which has been paid.

The Directors are pleased to recommend a final dividend of Rs. 1.50 per equity share of Rs. 2/- each (75%) for the financial year 2015-2016 thus making a total dividend of 120%.

Subject to the approval of shareholders at the ensuing Annual General Meeting, the final dividend will be paid to those shareholders whose name appears on the register of members of the company as on May 27, 2016.

#### INVESTOR EDUCATION AND PROTECTION FUND

Dividend which was declared by the company for the year ended March 31, 2009 at the Annual General Meeting held on July 22, 2009 and remained unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government on August 21, 2016 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on

dividend for the year ended March, 2009 from the shareholders. Notice for unpaid dividend is attached with the Notice convening 37th Annual General Meeting.

## TRANSFER TO RESERVES

The appropriations for the year are:-

Rupees in lacs

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Reserve at the beginning of the year	1118.80	1118.80
Transfer to general Reserve	-	-
Reserve at the end of the year	1118.80	1118.80
Balance of Profit & Loss account at the year end	13588.37	10676.70

## INDUSTRY EXPERIENCE

The tyre retreading industry gained some respite from a decline in the prices of crude oil and natural rubber, which are major raw materials for manufacturing of precured tread rubber.

However, the industry faced competition from cheap, single-life tyres in the marketplace from China. As these tyres are not suitable for retreading, eventually they cost more and end up as scrap, thereby adding to pollution and wastage.

## OPPORTUNITIES AND THREATS

Government's focus on infrastructure development, investment in highways, and implementation of GST will give boost to retreading industry.

Radialization will get more tyres for retreading, as casing can be retreaded multiple times. However, cheap Chinese tyres will continue to be a threat to retreading industry, unless anti-dumping duty is levied.

## RISK AND AREA OF CONCERN

The company has laid down a well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/ mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the company.

## MATERIAL CHANGES EFFECTING FINANCIAL POSITIONS OF THE COMPANY

No material changes have occurred and commitments made, affecting the financial position of the company, between the end of the financial year of the company and the date of this report.

There is no order passed by any regulator or court or tribunal against the company, impacting the going concern concept or future operations of the company.

## INTERNAL CONTROL SYSTEM

The Company has adequate internal control systems and procedures designed to effectively control the operations at its Head Office, Plants and Depots. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures. Independent Internal Auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors.

Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

On the recommendation of Nomination and Remuneration Committee, the Board appointed Sh. Shiv Khemka, as an Additional Director of the company with effect from August 14, 2015, who shall hold office upto the Annual General Meeting, and is eligible for appointment as Director as provided under the Articles of Association of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Sh. Shiv Khemka for the office of Director.

Pursuant to the terms of appointment, the office of Sh. K.K. Kapur as Whole time Director will expire on May 31, 2016. As recommended by the Nomination and Remuneration Committee, the Board reappointed Sh. K.K. Kapur as Whole time Director (Key Managerial Personnel) with effect from June 1, 2016 for a further period of 3 years, subject to the approval of the shareholders. We seek your approval for the appointment of Sh. K.K. Kapur as Whole time Director in the ensuing AGM.

As per the provisions of the Companies Act, 2013, Sh. K.K. Kapur will retire by rotation at the ensuing AGM and being eligible offered himself for re-appointment. The Board recommends his re-appointment.

Sh. K.M.S Ahluwalia, who was appointed as the Independent Director of the company on July 25, 2014 has resigned from the Board on February 10, 2016. The Board of Directors records their appreciation for the services rendered by Sh. K.M.S. Ahluwalia during his tenure.

The information on the particulars of Director eligible for appointment in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

## **INDEPENDENT DIRECTORS DECLARATION**

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

## **BOARD MEETINGS**

The details of number and dates of meetings held by the Board and its Committees, attendance of Directors and sitting fee/ commission/ remuneration paid to them is given separately in the attached Corporate Governance Report.

## **EVALUATION OF THE BOARD'S PERFORMANCE**

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

## **REMUNERATION POLICY**

The company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

## **STAKEHOLDER RELATIONSHIP COMMITTEE**

Stakeholder Relationship Committee comprises of Sh. R. Parameswar as Chairman and Sh. Nand Khemka and Sh. K.K. Kapur as members. The details of term of reference of the Committee member, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report.

## **AUDIT COMMITTEE**

The Audit Committee comprises of Sh. R. Parameswar as Chairman and Sh. Nand Khemka and Sh. P.R. Khanna as members. The details of term of reference of the Audit Committee member, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report.

## **VIGIL MECHANISM**

The company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of the Audit Committee.

The Vigil Mechanism (Whistle Blower Policy) is available on the company's website.

## **CODE OF CONDUCT**

Directors, Key Managerial Personnel and senior management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by the CEO & Whole Time Director is attached as Annexure 'I' which forms a part of this Report of the Directors. The Code of Conduct is available on the Company's website [www.indagrubber.com](http://www.indagrubber.com)

## **HUMAN RESOURCE MANAGEMENT, HEALTH AND SAFETY**

During the year the Company had cordial relations with workers, staff and officers. The shop floor management is done through personal touch, using various motivational tools and meeting their training needs requirements. The company has taken initiative for safety of employees and implemented regular safety audit, imparted machine safety training, wearing protective equipments etc.

The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility. On the job training as well as classroom training by way of seminars, conventions, functional and managerial programs for capability development and building technical expertise were attended by respective functions such as Sales & Marketing, Finance & Accounts, Procurement, Supply Chain, HR etc. The Company organized a diagnostic camp to monitor health as well as physical and emotional well-being of all employees and workers. There were 371 regular employees as at March 31, 2016.

## **DISCLOSURE AS PER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at workplace and matters connected there with or incidental there to covering all the aspects as contained under "The Sexual Harassment of women at workplace (Prohibition, Prevention and Redressal) Act, 2013".

During the financial year 2015-16, no complaint was received under the policy.

## **PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of Section 134(3)(q) and Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees is given in Annexure 'II'.

## **COMMITMENT TO QUALITY AND ENVIRONMENT**

Indag recognizes quality and productivity as a pre-requisite for its operations and has implemented ISO 9001:2008 standards and ISO 14001:2004 standards.

Anti-pollution systems are fully installed and operational. Continuous efforts to preserve the environment are pursued.

## **CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility Committee comprises of Sh. Nand Khemka as the Chairman and Sh.P.R.Khanna and Sh. K.K.Kapur as the members.

During the year we focused on improving the quality of life of the community in and around Nalagarh through health and sanitation, education and skill based training, sports and infrastructure development. Details about the CSR policy and initiatives taken by the Company during the year are available on your company's website [www.indagrubber.com](http://www.indagrubber.com). The Report on CSR activities is given in Annexure 'III' forming part of this Report.

## AUDITORS

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company hold office upto the conclusion of 38th Annual General Meeting, who were appointed in the 35th AGM to hold office until the conclusion of 38th AGM. Your company seeks ratification of the appointment of Statutory Auditors at the ensuing Annual General Meeting.

There are no qualifications or reservation or remarks made by the Auditors in their Report.

## SECRETARIAL AUDIT

A Secretarial Audit was conducted during the year by the Secretarial Auditor M/s. RMG & Associates, Practicing Company Secretaries. The Secretarial Auditors Report is attached as Annexure 'IV'. There are no qualifications or observations or remarks made by the Secretarial Auditor in their Report.

## COST AUDITORS

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s. Shome & Banerjee, Cost Accountants, as the Cost Auditors of the company for the year 2016-2017 at a remuneration of Rs. 1 lac plus out of pocket expenses. The proposed remuneration of the Cost Auditors would be approved by the members in the ensuing AGM.

The due date for filing the Cost Audit Report of the Company for the Financial Year ended 31st March, 2015 was 30th September, 2015 and the Cost Audit Report was filed in XBRL mode on 16th September, 2015.

## LOANS, GUARANTEES OR INVESTMENT

In compliance with Section 186 of the Companies Act, 2013, loans to employees bear interest at applicable rates. The company has made investments in securities of other body corporate(s), the details of which are given in Note '9' to Financial Statements, which are within the limits prescribed under Section 186 of the Companies Act, 2013.

## FIXED DEPOSIT

Your company has not accepted any fixed deposit and, accordingly no amount was outstanding as at the Balance Sheet date.

## SUBSIDIARIES

The company has framed a Policy for determining Material Subsidiaries. However the company does not have any subsidiary within the meaning of the Companies Act, 2013.

## RELATED PARTY TRANSACTIONS

All related party transactions are in the ordinary course of business and at arm's length basis, which are not material in nature. All related party transactions are with the approval of the Audit Committee and periodically placed before the Board for review.

## EXTRACT OF ANNUAL RETURN

The particulars required to be furnished under Section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as prescribed in Form No. MGT-9 is given in Annexure 'V'.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The particulars required to be furnished under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Disclosure of particulars of Board of Directors) Rules, 1988 are set out in Annexure 'VI', which forms part of the report.

## LISTING

The equity shares of your Company are listed with the Bombay Stock Exchange.

## DEMATERIALISATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with

both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on March 31, 2016, 97.30% of the share capital stands dematerialized.

## CORPORATE GOVERNANCE

A separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report as Annexure 'VII' and the Certificate from M/s RMG & Associates, Practicing Company Secretaries confirming compliance with the requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed as Annexure 'VIII'.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report, as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are already dealt with in various sections of this Report.

## ANNEXURES FORMING A PART OF DIRECTOR'S REPORT

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report:

Annexure	Particulars
I	CEO & Whole Time Director's Certificate under Schedule V Part D of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 on compliance of Code of Conduct
II	Particulars of Employees under Section 134(3)(q) and Section 197(12) of the Companies Act, 2013
III	Report on Corporate Social Responsibility
IV	Secretarial Audit Report
V	Extract of the Annual Return in Form MGT-9
VI	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
VII	Corporate Governance Report
VIII	Certificate from Practicing Company Secretary on Corporate Governance Report

## CAUTIONARY STATEMENT

Statements in this report, describing the Company's objectives, expectations and/or anticipations may be forward looking within the meaning of applicable Securities Law and Regulations. Actual results may differ materially from those stated in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2015-16 are in conformity with the requirements of the Companies Act, 2013. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operation.

In terms of provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors further confirm as under:

- i) That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



- ii) That the Directors had 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 financial period and of profit or loss of the Company for that period; except for change in accounting policy for dividend, details of which are given in Note “2” to Financial Statements.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a “going concern basis”.
- v) That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) That the Directors had devised proper system to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

The Company’s Internal Auditors have conducted periodic audits to provide reasonable assurance that the Company’s approved policies and procedures have been followed.

### APPRECIATIONS

Your Directors wish to place on record their appreciation for the continuous support received from the Members, customers, suppliers, bankers, various statutory bodies of the Government of India and the Company’s employees at all levels.

For and on behalf of the Board of Directors  
**Indag Rubber Limited**

**P. R. Khanna**  
Director  
DIN: 00048800

**K. K. Kapur**  
CEO & Whole Time Director  
DIN: 00745117

Date : April 14, 2016  
Place : New Delhi

### ANNEXURE-I

#### **Annual Compliance with the Code of Conduct for the Financial Year 2015-2016**

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2016 from all the Board Members and Senior Management Personnel.

For and on behalf of the Board of Directors  
**Indag Rubber Limited**

**K. K. Kapur**  
CEO & Whole Time Director  
DIN: 00745117

Date : April 14, 2016  
Place : New Delhi

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) AND SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Requirements of Rule 5(1)	Details																																												
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<table border="0"> <tr> <td>Mr. Nand Khemka</td> <td>-</td> <td>2129 : 20</td> <td>(10645%)</td> </tr> <tr> <td>Mr. K K Kapur</td> <td>-</td> <td>2129 : 20</td> <td>(10645%)</td> </tr> <tr> <td>Mr. P R Khanna</td> <td>-</td> <td>118 : 20</td> <td>(590%)</td> </tr> <tr> <td>Mr. R. Parameswar</td> <td>-</td> <td>118 : 20</td> <td>(590%)</td> </tr> <tr> <td>Ms. Bindu Saxena</td> <td>-</td> <td>118 : 20</td> <td>(590%)</td> </tr> <tr> <td>Mr. Uday Harsh Khemka</td> <td>-</td> <td>23 : 20</td> <td>(115%)</td> </tr> <tr> <td>Mr. Shiv Vikram Khemka</td> <td>-</td> <td>48 : 20</td> <td>(240%)</td> </tr> </table>	Mr. Nand Khemka	-	2129 : 20	(10645%)	Mr. K K Kapur	-	2129 : 20	(10645%)	Mr. P R Khanna	-	118 : 20	(590%)	Mr. R. Parameswar	-	118 : 20	(590%)	Ms. Bindu Saxena	-	118 : 20	(590%)	Mr. Uday Harsh Khemka	-	23 : 20	(115%)	Mr. Shiv Vikram Khemka	-	48 : 20	(240%)																
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(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<table border="0"> <tr> <td colspan="4"><b>Directors</b></td> </tr> <tr> <td>Mr. Nand Khemka</td> <td>-</td> <td>12.24%</td> <td></td> </tr> <tr> <td>Mr. K K Kapur</td> <td>-</td> <td>12.24%</td> <td></td> </tr> <tr> <td>Mr. P R Khanna</td> <td>-</td> <td>(5.33%)</td> <td></td> </tr> <tr> <td>Mr. R. Parameswar</td> <td>-</td> <td>(5.33%)</td> <td></td> </tr> <tr> <td>Ms. Bindu Saxena</td> <td>-</td> <td>174.13%</td> <td></td> </tr> <tr> <td>Mr. Uday Harsh Khemka</td> <td>-</td> <td>(45.94%)</td> <td></td> </tr> <tr> <td>Mr. Shiv Vikram Khemka</td> <td>-</td> <td>NA</td> <td></td> </tr> <tr> <td colspan="4"><b>Key Managerial Personnel</b></td> </tr> <tr> <td>Mr. J.K Jain(CFO)</td> <td>-</td> <td>16%</td> <td></td> </tr> <tr> <td>Mrs. Manali D Bijlani (CS)</td> <td>-</td> <td>49%</td> <td></td> </tr> </table>	<b>Directors</b>				Mr. Nand Khemka	-	12.24%		Mr. K K Kapur	-	12.24%		Mr. P R Khanna	-	(5.33%)		Mr. R. Parameswar	-	(5.33%)		Ms. Bindu Saxena	-	174.13%		Mr. Uday Harsh Khemka	-	(45.94%)		Mr. Shiv Vikram Khemka	-	NA		<b>Key Managerial Personnel</b>				Mr. J.K Jain(CFO)	-	16%		Mrs. Manali D Bijlani (CS)	-	49%	
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Mrs. Manali D Bijlani (CS)	-	49%																																											
(iii) the percentage increase in the median remuneration of employees in the financial year;	: 23%																																												
(iv) the number of permanent employees on the rolls of company;	: 371 employees as on 31.03.2016																																												
(v) the explanation on the relationship between average increase in remuneration and company performance;	: Average increase in remuneration of all employees was 14.50% for the year 2016 which is partly based on the results of the Company for the year ended 31.03.2015 and partly on the individual employee's performance. Total Profit after Tax in year 2015 had increased by 18% over the previous year																																												
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	: Average increase in remuneration of key managerial personnel was 12.24 % for the year 2016 which is partly based on the results of the Company for the year ended 31.03.2015 and partly on the individual performance. Total Profit after Tax in year 2015 had increased by 18% over the previous year																																												
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	<table border="0"> <thead> <tr> <th></th> <th style="text-align: center;">As on 31.03.2015</th> <th style="text-align: center;">As on 31.03.2016</th> <th style="text-align: center;">% increase</th> </tr> </thead> <tbody> <tr> <td>Share price:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>BSE</td> <td style="text-align: right;">Rs. 147.75</td> <td style="text-align: right;">Rs. 165.00</td> <td style="text-align: right;">11.68%</td> </tr> <tr> <td>P/E Ratio</td> <td style="text-align: right;">11.90</td> <td style="text-align: right;">13.55</td> <td style="text-align: right;">13.87%</td> </tr> </tbody> </table> <p>The Company has not made any Public Issue or Rights issue of securities in the last 30 years, so comparison have not been made of current share price with public offer price. The Company's shares are listed on Bombay Stock Exchange Pursuant to the approval of the members through postal ballot / e-voting on 20 March 2015 for sub-division of the equity shares of the Company, each equity share of nominal face value of Rs. 10/- each was sub-divided to equity share of nominal face value of Rs. 2/- each. The effective date of the said sub-division was 24 April 2015.</p>		As on 31.03.2015	As on 31.03.2016	% increase	Share price:				BSE	Rs. 147.75	Rs. 165.00	11.68%	P/E Ratio	11.90	13.55	13.87%																												
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(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	:	Average Salary increase of non-managerial employees is 14.50% Average Salary increase of managerial employees is 12.24% There are no exceptional circumstances in increase in managerial remuneration
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	:	Same as in (vi) above
(x) The key parameters for any variable component of remuneration availed by the directors;	:	All employees including Managing Director and Whole Time Director's entitlement to incentive has a variable component which is based on the individual's performance and Company's financial performance. Remuneration of all non-executive directors is limited to 1% of net profits of the Company for that financial year
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	:	The Managing Director & Whole time director are the highest paid directors. No employee received remuneration higher than Managing Director & Whole time director.
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	:	Remuneration paid during the year ended March 31, 2016 is as per the Remuneration Policy of the Company

#### Details of employees under section 134(3)(g) of the Companies Act, 2013

Name	Designation	% of equity shares	Relationship with other Directors	Nature of Duties (Employment)	Gross Remuneration (Rs.)	Qualifications	Date of Commencement of Employment	Total Experience	Age in Years	Last Employment
Sh. Nand Khemka	Chairman & Managing Director	0.07	Relative of Sh. Shiv Khemka and Sh. Uday Khemka	Business Head (Contractual)	2,55,57,150	MS in Foreign Trade and Masters Degree in Business Administration from Columbia University, New York, U.S.A	1 April, 2010	Over 50 years	81	Promoter and Chairman of Indag Rubber Ltd. since incorporation.
Sh. K.K. Kapur	Whole-Time Director & CEO	Nil	Nil	Business Head (Contractual)	2,55,57,150	Masters in Mathematics, CMA	9 April, 2001	Over 50 years	78	Enron India Pvt. Ltd.

### **BRIEF OUTLINE OF THE COMPANY'S CSR POLICY**

1. The objective of the company is to actively contribute to the social and economic development of the communities in which we operate, so as to promote sustained growth for the society and community and in particular take up the activities as included in Schedule VII of the Companies Act, 2013.
2. The CSR committee will facilitate the Annual CSR action plan containing the clear terms of reference outlining the key tasks, duration of assignment, allocation of budget for different projects, method of implementation and review. The CSR budget shall be according to Companies Act, 2013.
3. Money unutilized, if any, in the previous year will be carried forward and included in the budget for the next year. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
4. Project activities identified under CSR are to be implemented by specialized agencies, which would include- Voluntary Organizations (VOs) formal or informal Elected local bodies such as Panchayats, Instituites/Academics Institutions, Trusts, Self Help Groups, Govt./Semi Govt./Autonomous Organizations, Mahila Mandals, Professional Consultancy Organizations etc.
5. The Corporate Social Responsibility activities undertaken by the Company will be monitored by the Corporate Social Responsibility Committee duly constituted by the Board. The committee will be responsible to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

During the year 2015-2016, the Company with the support of Youthreach initiated its CSR programme in Nalagarh, Himachal Pradesh. [Project Chetna - Ek Nayi Sehar](#) was designed to focus on Sanitation and Health programme at Aduwal village, Bhogpur panchayat.

In order to promote habit of cleanliness and curtail open defecation, toilets were constructed at households, selected under the categories like below poverty line, elderly or women dominant family, widows or differently abled family.

To bring about behavioral changes in the areas of health, hygiene and sanitation, awareness talks in collaboration with health educators from Civil Hospital, Nalagarh, Aganwadi workers and volunteers were organized.

The Company also organized training for women at sewing training centre, tailoring course and beautician course to enhance vocational skills of women. The Company partnered with District Sports Association and local schools to promote sports, physical development and primary education.

### **REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>CSR activities at Indag are carried out through-</p> <ol style="list-style-type: none"> <li>1. Directly by the Company for fulfilling its responsibilities towards various stakeholders</li> <li>2. Contribution/donation made to such other Organization/ Institutions as may be permitted under the applicable laws from time to time</li> <li>3. Through implementing agency Youthreach</li> </ol> <p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <a href="http://www.indagrubber.com/investors/policies.php">www.indagrubber.com/investors/policies.php</a>.</p> <p>The details of the CSR activities undertaken at Indag can be accessed at <a href="http://www.indagrubber.com/investors.php">www.indagrubber.com/investors.php</a>.</p>
2	The Composition of the CSR Committee	<ol style="list-style-type: none"> <li>1. Mr. Nand Khemka (Chairman)</li> <li>2. Mr. P.R. Khanna</li> <li>3. Mr. K.K. Kapur</li> </ol>
3	Average net profits of the company for last three financial years	Rs. 3536.51 lacs

4	Prescribed CSR Expenditure(two per cent of the amount as in item 3 above)(Amount in lacs)	Rs. 70.73 lacs
5	Amount unspent carried forward of the Financial Year 2014-2015	Rs. 38.72 lacs
6	Total CSR Budget for Financial year 2015-2016	Rs. 109.45 lacs
7	Details of CSR spent during the financial year. 1. Total amount spent for the Financial Year 2. Amount unspent, if any 3. Manner in which the amount spent during the financial year	Rs. 70.78 lacs Rs. 38.67 lacs The manner in which the amount is spent is detailed in the annexure.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Projects or programs 1) Local Area or other 2) Specify the state and district where project or program was undertaken.	Sector in which the Project is covered	Amount outlay (budget) projects or programs wise	Amount Spent on the projects or programs 1) Direct Expenditure on projects or programs 2) Overhead (lacs)	Cumulative expenditure upto the reporting period.	Amount Spent: Direct or through implementing agency
1.	Integrated Rural Development around manufacturing unit at Nalagarh, Himachal Pradesh	Manufacturing unit of Indag Rubber Limited at Nalagarh, Himachal Pradesh	Social Economic Welfare Education and Vocational Training Rural Sports Social and Rural Development Empowering women and social economic welfare	Total budget of Rs. 109.45 lacs	59.36 5.02 1.00 1.26 4.14	Expenditure upto 31 March, 2016 is Rs. 70.78 lacs	1. Spent through the Youthreach Rs. 46.86 lacs 2. Amount directly spent by company Rs. 23.92 lacs
2.			<b>Total</b>	<b>109.45 lacs</b>	<b>70.78</b>	<b>70.78 lacs</b>	

- a) Reason for not spending the 2% of the average net profit of the last three financial years-  
The Company has initiated long term CSR activities for the welfare of community members at Nalagarh, which would be continued during the financial year 2016-17. Accordingly, the carried forward unspent amount is expected to be spent in next financial year.
- b) The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the company.

<b>K K Kapur</b> Chief Executive Officer	<b>Nand Khemka</b> Chairman - CSR Committee
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Form No. MR - 3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH 2016

[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  
**Indag Rubber Limited**

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Indag Rubber Limited (hereinafter referred as 'the Company'), having its Registered Office at 11, Community Centre, Saket, New Delhi-110017. 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, minutes 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, 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 Indag Rubber Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- 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 by the Depositories with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 15<sup>th</sup> May, 2015.
  - (d) 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.
- VI. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say :
  1. Indian Boilers Act, 1923
  2. Indian Boiler Regulations, 1950

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

We further report that during the period under review the company has complied with the Listing Agreement to the extent applicable entered into by the Company with the Bombay Stock Exchange Limited.

We have also examined compliances with the applicable clauses of Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible, however the stricter applicability of the Secretarial Standards is to be observed by the company.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We further report that

As per the information furnished, adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance to all Directors 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.

The minutes of the Annual General Meeting, Board Meetings and Committee Meetings of the Board were duly signed by the Chairman. All the decisions of the Board were unanimously passed and no dissenting views have been recorded in the Minutes of the Board. Further, in the minutes of the Annual General Meeting, absence of Statutory Auditors & Secretarial Auditors of the Company at the meeting was required to be recorded.

As per the Annual Report of the Company, the Company has generally made all the disclosures as required by the Act and the Listing Agreement with the Stock Exchange, except providing the web link in the Annual Report for the familiarisation program as disclosed on the company's website.

As per the records, the Company generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies ('ROC') within the stipulated time. Further, the company is recommended to take utmost care while filling & filing the forms with MCA.

We further report that during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:-

- (i) The Company has sub-divided its equity shares of Rs. 10/- each into equity shares of Rs. 2/- each after obtaining the approval of Shareholders by way of postal ballot in March 2015. However, April 24, 2015 was fixed as the Record Date for aforesaid corporate action.
- (ii) The Board of Directors of the Company at its meeting held on November 04, 2015, declared an Interim Dividend of Rs. 0.90/- per equity share of Rs. 2/- each for the Financial Year 2015-2016 and November 20, 2015 was fixed as the Record Date for the purpose of the same.

**For RMG & Associates**  
Company Secretaries

**CS Manish Gupta**

Partner

FCS : 5123; C.P. No.: 4095

Place : New Delhi

Date : April 14, 2016

**Note:** This report is to be read with 'Annexure I' attached herewith and forms an integral part of this report.

## ANNEXURE - I

The Members

**Indag Rubber Limited**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
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 is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For RMG & Associates**  
Company Secretaries

**CS Manish Gupta**  
Partner

FCS : 5123; C.P. No.: 4095

Place : New Delhi

Date : April 14, 2016



**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31 March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN: -	<b>L74899DL1978PLC009038</b>
ii)	Registration Date:	<b>June 2, 1978</b>
iii)	Name of the Company:	<b>Indag Rubber Limited</b>
iv)	Category/Sub-Category of the Company:	<b>Public Company/Limited by share</b>
v)	Address of the registered office and contact details:	<b>Indag Rubber Limited 11, Community Centre, Saket, New Delhi-110017 Website: www.indagrubber.com Ph. No. 011-26963172/73</b>
vi)	Whether listed company:	<b>Yes</b>
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	<b>Skyline Financial Services Pvt. Ltd. D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Phone : 011-26812682/83 Email : admin@skylinerta.com</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Precured Tread Rubber	22191	86.07%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Khemka Aviation Pvt Ltd	U74899DL1966PTC004623	Associate	23.89	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Equity Shares of Rs.2/- each held at the beginning of the year				No. of Equity Shares of Rs.2/- each held at the end of the year				% Change during the year
	Demat	Phy.	Total	% of Total Shares	Demat	Phy.	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/HUF	11285010	-	11285010	42.99	11285010	-	11285010	42.99	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-

d) Bodies Corp.	7827990	-	7827990	29.82	7825428	-	7825428	29.81	(0.01)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>19113000</b>	<b>-</b>	<b>19113000</b>	<b>72.81</b>	<b>19110438</b>	<b>-</b>	<b>19110438</b>	<b>72.80</b>	<b>(0.01)</b>
<b>2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	513000	-	513000	1.95	513000	-	513000	1.95	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>513000</b>	<b>-</b>	<b>513000</b>	<b>1.95</b>	<b>513000</b>	<b>-</b>	<b>513000</b>	<b>1.95</b>	<b>-</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>19626000</b>	<b>-</b>	<b>19626000</b>	<b>74.77</b>	<b>19623438</b>	<b>-</b>	<b>19623438</b>	<b>74.76</b>	<b>(0.01)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	2250	2250	0.01	-	2250	2250	0.01	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	175980	-	175980	0.67	58355	-	58355	0.22	(0.45)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>175980</b>	<b>2250</b>	<b>178230</b>	<b>0.68</b>	<b>58355</b>	<b>2250</b>	<b>60605</b>	<b>0.23</b>	<b>(0.45)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	577535	30250	607785	2.32	800971	18250	819221	3.12	0.80
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2894410	820555	3714965	14.15	3187096	682335	3869431	14.74	0.59
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1721525	-	1721525	6.56	1366178	-	1366178	5.20	(1.36)
c) Others (specify)									
N.R.I.(REPT & NON-REPT)	233565	2000	235565	0.90	226813	1750	228563	0.87	(0.03)
Clearing House/Public Trust	-	-	-	-	1300	-	1300	0.00	0.00
Corporate Bodies - OCB	-	-	-	-	-	-	-	-	-

Intermediary/Other Depository A/c	-	-	-	-	-	-	-	-	-
Hindu Undivided Family	131300	-	131300	0.50	144212	5000	149212	0.57	0.07
Clearing Members	34630	-	34630	0.13	5730	-	5730	0.02	0.09
Qualified Foreign Investor -Individual	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor-Corporate	-	-	-	-	126322	-	126322	0.48	0.48
<b>Sub-total (B)(2)</b>	<b>5592965</b>	<b>852805</b>	<b>6445770</b>	<b>24.56</b>	<b>5858622</b>	<b>707335</b>	<b>6565957</b>	<b>25.01</b>	<b>0.44</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5768945</b>	<b>855055</b>	<b>6624000</b>	<b>25.23</b>	<b>5916977</b>	<b>709585</b>	<b>6626562</b>	<b>25.24</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>25394945</b>	<b>855055</b>	<b>26250000</b>	<b>100.00</b>	<b>25540415</b>	<b>709585</b>	<b>26250000</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Equity Shares of Rs.2/- each	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Equity Shares of Rs.2/- each	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Jeet Nabha Khemka	8765005	33.39	Nil	8765005	33.39	Nil	NA
2	Khemka Aviation Pvt Ltd	6272325	23.89	Nil	6272325	23.89	Nil	NA
3.	Uday Harsh Khemka	1250750	4.76	Nil	1250750	4.76	Nil	NA
4.	Urvashi Rajya Laxmi Rana Khemka	1250750	4.76	Nil	1250750	4.76	Nil	NA
5	Unipatch Rubber Limited	1187415	4.52	Nil	1187415	4.52	Nil	NA
6.	Sun London Limited	376000	1.43	Nil	376000	1.43	Nil	NA
7.	Pankaj Dilip Private Limited	330500	1.26	Nil	330500	1.26	Nil	NA
8.	Sun Securities Limited	137000	0.52	Nil	137000	0.52	Nil	NA
9.	Khemka and Com Agencies Pvt Ltd	30250	0.12	Nil	27688	0.11	Nil	(0.01)
10.	Nand Lal Khemka	18505	0.07	Nil	18505	0.07	Nil	NA
11.	Khemka Instruments Pvt Ltd	5000	0.02	Nil	5000	0.02	Nil	NA
12.	Khemka Technical Services Pvt Ltd	2500	0.01	Nil	2500	0.01	Nil	NA

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of equity shares of Rs.2/- each	% of total shares of the company	No. of equity shares of Rs.2/- each	% of total shares of the company
	At the beginning of the year	1,96,26,000	74.77		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):			Khemka and Com. Agencies Pvt. Limited one of the promoter of the company has sold the following equity shares of the company on below mentioned dates 1) 24.07.2015 : 2,062 2) 31.07.2015 : 500	0.01 0.00
	<b>At the end of the year</b>			<b>1,96,23,438</b>	<b>74.76</b>

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No. and name of the shareholder	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of equity shares of Rs.2/- each	% of total shares of the company	No. of equity shares of Rs.2/- each	% of total shares of the company
<b>i) Tejas B. Trivedi</b>	At the beginning of the year	4,64,460	1.77		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):			17.04.2015: Sale of 88,165 Shares 24.04.2015: Sale of 30,495 Shares 01.05.2015 Purchase of 20,000 Shares 06.11.2015 Sale of 20,000 Shares 04.03.2016 Sale of 1,20,000 Shares	0.34 0.12 0.08 0.08 0.46
	At the End of the year (or on the date of separation, if separated during the year)			<b>2,25,800</b>	<b>1.13</b>
<b>(ii) Shivani T. Trivedi</b>	At the beginning of the year	3,40,120	1.30		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus / sweat equity etc):			09.10.2015 Purchase of 31,500 Shares 06.11.2015 Purchase of 20,000 Shares 20.11.2015 Sale of 10001 Shares 04.12.2015 Sale of 24,359 Shares 11.12.2015 Sale of 31,600 Shares	0.12 0.08 0.04 0.09 0.12

				18.12.2015 Sale of 35,101 Shares	0.13
				25.12.2015 Sale of 46,483 Shares	0.18
				31.12.2015 Sale of 5,000 Shares	0.02
				08.01.2016 Sale of 10,000 Shares	0.04
				15.01.2016 Sale of 54,876 Shares	0.21
				12.02.2016 Sale of 3,200 Shares	0.01
	At the End of the year (or on the date of separation, if separated during the year)			<b>1,71,000</b>	<b>0.65</b>
<b>iii) Priya Singh Aggarwal</b>	At the beginning of the year	2,50,000	0.95		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):			Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)			<b>2,50,000</b>	<b>0.95</b>
<b>iv) Shashi Bala Garg</b>	At the beginning of the year	1,25,000	0.48		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)			<b>1,25,000</b>	<b>0.48</b>
<b>v) S. Murugesan</b>	At the beginning of the year	1,24,030	0.47		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			10.04.2016 Sale of 43,825 Shares	0.17
				17.04.2016 Sale of 4,655 Shares	0.02
	At the End of the year (or on the date of separation, if separated during the year)			<b>75,550</b>	<b>0.29</b>

<b>vi) BJD Securities Pvt. Limited</b>	At the beginning of the year	1,17,915	0.45		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):			01.05.2015 Sale of 94,332 Shares	0.36
	At the End of the year ( or on the date of separation, if separated during the year)			<b>23,583</b>	<b>0.09</b>
<b>vii) Mukkaram Jan</b>	At the beginning of the year	1,14,450	0.44		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			31.03.2016 Sale of 1,14,450 Shares	0.44
	At the End of the year ( or on the date of separation, if separated during the year)			<b>Date of separation- 31.03.2016 Shareholding - Nil</b>	<b>0</b>
<b>viii) Mukul Chadda</b>	At the beginning of the year	97,715	0.37		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			17.04.2015 Sale of 2,715 Shares	0.01
	At the End of the year (or on the date of separation, if separated during the year)			<b>95,000</b>	<b>0.36</b>
<b>ix) Bang Securities Private Limited</b>	At the beginning of the year	89,500	0.34		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):			NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)			<b>89,500</b>	<b>0.34</b>
<b>x) Dilip Kumar Rungta</b>	At the beginning of the year	8,5000	0.32		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			24.04.2015 Sale of 85,000 share	0.32
	At the End of the year (or on the date of separation, if separated during the year)			<b>Date of separation- 24.08.2015 Shareholding - Nil</b>	<b>0</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of equity shares of Rs.2/- each	% of total shares of the company	No. of equity shares of Rs.2/- each	% of total shares of the company
1.	At the beginning of the year				
	i) Nand Khemka	18,505	0.07		
	ii) Uday Khemka	12,50,750	4.76		
	iii) Shiv Khemka (joint holding with Mrs. Urvashi Khemka)	12,50,750	4.76		
	iv) J K Jain	10	0.00003		
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i) Nand Khemka			Nil	Nil
	ii) Uday Khemka			Nil	Nil
	iii) Shiv Khemka (joint holding with Mrs. Urvashi Khemka)			Nil	Nil
	iv) J K Jain			Nil	Nil
3.	At the End of the year				
	i) Nand Khemka			18,505	0.07
	ii) Uday Khemka			12,50,750	4.76
	iii) Shiv Khemka (joint holding with Mrs. Urvashi Khemka)			12,50,750	4.76
	iv) J K Jain			10	0.00003

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Nand Khemka	K. K. Kapur	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,00,000	64,70,459	1,60,70,459
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	1,23,396	1,23,396
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	1,59,57,150	1,83,16,249	3,42,73,399
5	Others, please specify -PF	-	6,47,046	6,47,046
	<b>Total (A)</b>	<b>2,55,57,150</b>	<b>2,55,57,150</b>	<b>5,11,14,300</b>
	<b>Ceiling as per the Act</b>	<b>2,55,57,150</b>	<b>2,55,57,150</b>	<b>5,11,14,300</b>

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
		P R Khanna	R Parameswar	K M S Ahluwalia	Bindu Saxena	
1	<b>Independent Directors</b>					
	• Fee for attending board / committee meetings	2,90,000	2,70,000	Nil	1,50,000	7,10,000
	• Commission	14,20,000	14,20,000	Nil	14,20,000	42,60,000
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>17,10,000</b>	<b>16,90,000</b>	<b>Nil</b>	<b>15,70,000</b>	<b>49,70,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Shiv Khemka</b>	<b>Uday Khemka</b>			
	• Fee for attending board / committee meetings	40,000	20,000			60,000
	• Commission	5,70,849	2,80,000			8,50,849
	• Others, please specify	Nil	Nil			Nil
	<b>Total (2)</b>	<b>6,10,849</b>	<b>3,00,000</b>			<b>9,10,849</b>
	<b>Total (B)=(1+2)</b>					<b>58,80,849</b>
<b>Total Managerial Remuneration</b>					<b>51,10,849</b>	
<b>Overall Ceiling as per the Act</b>					<b>51,10,849</b>	



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary		CFO	Total
		Manali D. Bijlani	Avinash Kumar Singh	J. K. Jain	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,04,710	1,21,596	30,91,695	45,18,001
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,55,323	12,161	-	1,67,484
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	- as % of profit	NIL	Nil	Nil	Nil
	- others, specify...	NIL	Nil	Nil	Nil
5	Others, please specify				
	PF	93,194	6039	2,28,700	3,27,933
	Incentive	70,000	-	16,00,000	16,70,000
	Bonus	14,497	2,348	16,800	33,645
	<b>Total</b>	<b>16,37,724</b>	<b>1,42,144</b>	<b>49,37,195</b>	<b>67,17,063</b>

\*Mr. Avinash Kumar Singh has resigned from the position of Company Secretary w.e.f. May 21, 2015 and Mrs. Manali D. Bijlani was appointed as Company Secretary w.e.f. May 21, 2015.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**A. Conservation of Energy**
**(i) Steps taken or impact on conservation of energy are as under-**

- Installation of Pet coke based at Nalagarh plant, has resulted in substantial saving in cost of production.
- All air conditioners, lights and computers are shut down after office hours (except at the time work commitments).
- There is an optimum ratio of glass windows to utilize natural daylight and proper insulation/ventilation to balance temperature and reduce heat.

**(ii) Steps undertaken by the company for utilizing alternate source of energy:**

The Company is using Pet Coke based Boiler at Nalagarh instead of Furnance Oil based Boiler.

**(iii) Capital investment on energy conservation equipments:**

During the current financial year, the company has incurred capital expenditure of Rs. 26.77 lacs on Solar Energy system.

**B. Technology Absorption, Research and Development (R&D)**

The company has not imported any technology during the last three years.

**C. Research and development (R&D):**

Sustained R&D efforts are being made by the Company to improve product quality.

Sl. No.	Particulars	Amount in Rs.lacs
1	Capital expenditure in R&D	43.99
2	Revenue expenditure in R&D	4.33
3	Expenditure on Salary with respect to R&D	54.49

**D. Foreign Exchange Earning and Outgo**

Activities relating to export, initiatives taken to increase export, development of new export market for products and services and export plans. Efforts continue to enlarge the product range and geographical reach on export market in order to maximize foreign exchange inflow and every effort made to minimize the foreign exchange outflow.

During the year the Company has exported retreading material of Rs. 775.69 lacs.

**Total Foreign Exchange used and earned:**

Particulars	2015-16 (Rs. in lacs)	2014-15 (Rs. in lacs)
Foreign Exchange earned	254.67	421.10
Foreign Exchange used	74.20	93.31

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015)

**In accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Indag Rubber Limited is as under:**

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

The Company recognizes the importance of good Corporate Governance, which is a tool for building a strong and everlasting beneficial relationship with the customers, suppliers, bankers and more importantly with the investors.

The Company believes that its key decisions must serve the underlying goals of enhancing shareholders' value over a sustained period of time, and achieving the definite and measurable performance targets.

### II. Board of Directors

#### (a) Composition of the Board

The Company's policy is to maintain optimum combination of Executive Directors, Non-Executive Directors and Independent Directors.

The Board comprises of seven directors, which include two executive directors and five non-executive directors as on March 31, 2016. The Board is in the process of appointing an Independent Director in place of Sh.K.M.S.Ahluwalia who had resigned w.e.f. February 10, 2016. The Board is primarily responsible for the overall management of the Company's business. The Directors on the Board are from varied fields with wide range of skills and experience. The non-executive directors including Independent Directors bring statutory and wider perspective in the Board's deliberations and decisions.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year give a declaration that they meet with the criteria of independence as provided under Companies Act, 2013 and Reg. 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Composition of the Board of Directors as on March 31, 2016 with their attendance at the Board Meetings held during the year 2015-16 and at the last Annual General Meeting is given below:

DIN	Name of the Directors	Categories of Directors	Number of Board Meetings attended	Attendance at the last AGM held on August 14, 2015	No. of other Directorship(s) held in Public Companies*	No. of Membership(s)/ Chairmanship in Committees (including INDAG)**	Relationship with other Directors	Number of shares and convertible instruments held by non-Executive Directors
00211084	Sh. Nand Khemka (Chairman cum Managing Director)	Executive Promoter (Interested)	5 of 5	Yes	1	2	Relative of Mr. Shiv Khemka & Mr. Uday Khemka	-
00048800	Sh. P. R. Khanna	Non-Executive (Independent)	5 of 5	Yes	4	7 (including 4 as Chairman)	Nil	Nil
01879913	Sh. R. Parameswar	Non-Executive (Independent)	5 of 5	Yes	Nil	2 (both as Chairman)	Nil	Nil
00104762	Sh.K.M.S. Ahluwalia***	Non-Executive (Independent)	Nil	No	Nil	1	Nil	Nil
00167802	Ms. Bindu Saxena	Non-Executive (Independent)	5 of 5	Yes	1	1	Nil	Nil
00323609	Sh. Uday Khemka	Non-Executive (Interested)	1 of 5	No	Nil	Nil	Relative of Sh. Nand Khemka & Sh. Shiv Khemka	12,50,750

01214671	Sh. Shiv Khemka****	Non-Executive (Interested)	2 of 3	NA	Nil	Nil	Relative of Sh. Nand Khemka & Sh. Uday Khemka	12,50,750 (joint holding with Mrs. Urvashi Khemka)
00745117	Sh. K.K. Kapur (Whole-time Director)	Executive (Interested)	5 of 5	Yes	Nil	1	Nil	-

\* It does not include Alternate Directorship, Directorship in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies.

\*\* Membership / Chairmanship of only Audit Committee and Stakeholder Relationship Committee in all public limited companies (including Indag Rubber Limited) have been considered.

\*\*\* ceased to be a director w.e.f. February 10, 2016.

\*\*\*\* appointed as Additional Director w.e.f. August 14, 2015.

#### (b) Board Meetings

Five meetings of the Board of Directors were held during the year, viz. on April 11, 2015, May 21, 2015, August 14, 2015, November 4, 2015 and February 10, 2016. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 was placed before the Board from time to time.

#### (c) Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing (Obligation and Disclosure Requirements) Regulation, 2015, a separate meeting of the Independent Directors of the Company was held on February 10, 2016 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

#### (d) Induction & Training of Board Members (Familiarisation programme for Independent Directors)

Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Chairman cum Managing Director and CEO & Whole Time Director on the Company's manufacturing, marketing, finance and other important aspects. The web link for the Familiarisation Programmes for Independent Directors is <http://indagrubber.com/demoversion/wp-content/uploads/Familiarization-Programme-for-Independent-Directors.pdf>.

#### (e) Evaluation of the Board's Performance

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

### III. Audit Committee

(a) The Audit Committee comprises of two non-executive (independent) directors and one executive director having financial management expertise. The Chairman of the committee is an independent director, elected by the Members of the Committee.

Sh. R. Parameswar, Chairman of the Audit Committee was present at the last Annual General Meeting.

Five meetings of the Audit Committee were held during the year viz. on April 11, 2015, May 21, 2015, August 14, 2015, November 4, 2015 and February 10, 2016 respectively. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

Name of the Director	Position	Category	No. of meetings attended
Sh. R. Parameswar	Chairman	Non-Executive Independent Director	5 of 5
Sh. P. R. Khanna	Member	Non-Executive Independent Director	5 of 5
Sh. K. M. S. Ahluwalia*	Member	Non-Executive Independent Director	Nil
Sh. Nand Khemka	Member	Executive Promoter Director	5 of 5

\* resigned as member w.e.f. February 10, 2016.

- (b) **Terms of reference:** The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013.
- (c) The Audit Committee invites CEO & Whole Time Director, Chief Financial Officer, representative of Statutory Auditors and Internal Auditors for each meeting, to provide inputs on issues relating to accounts, taxation, internal audit finding, internal controls, risk managements etc.

#### IV. Nomination and Remuneration Committee

- (a) The Board has framed Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The policy has been displayed on the company's website viz., [www.indagrubber.com](http://www.indagrubber.com).

Three meetings of the Nomination and Remuneration Committee were held during the year viz. on April 11, 2015, May 21, 2015, and August 14, 2015. The composition of the Nomination and Remuneration Committee and details of their attendance at the meetings are as follows:

Name of the Director	Position	Category	No. of meetings attended
Sh. P. R. Khanna	Chairman	Non-Executive Independent Director	3 of 3
Sh. K.M.S. Ahluwalia*	Member	Non-Executive Independent Director	Nil
Sh. R. Parameswar	Member	Non-Executive Independent Director	3 of 3
Ms. Bindu Saxena	Member	Non-Executive Independent Director	3 of 3
Sh. Nand Khemka	Member	Executive Promoter Director	3 of 3

\* resigned as member w.e.f. February 10, 2016.

Sh. P.R. Khanna, Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting.

- (b) **Terms of reference:** The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

**(c) Performance evaluation criteria for Independent Directors-**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under-

**AREAS OF EVALUATION**

- 1 Frequency of meetings attended
- 2 Timeliness of circulating Agenda for meetings and descriptiveness
- 3 Quality, quantity and timeliness of flow of information to the Board
- 4 Promptness with which Minutes of the meetings are drawn and circulated
- 5 Opportunity to discuss matters of critical importance, before decisions are made
- 6 Familiarity with the objects, operations and other functions of the company
- 7 Importance given to Internal Audit Reports, Management responses and steps towards improvement
- 8 Avoidance of conflict of interest
- 9 Exercise of fiscal oversight and monitoring financial performance
- 10 Level of monitoring of Corporate Governance Regulations and compliance
- 11 Adherence to Code of Conduct and Business ethics by directors individually and collectively
- 12 Monitoring of Regulatory compliances and risk assessment
- 13 Review of Internal Control Systems
- 14 Performance of the Chairperson of the company including leadership qualities.
- 15 Performance of the Whole time Director
- 16 Overall performance of the Board/ Committees.

**V. Remuneration of Directors**

**(a)** There was no pecuniary relationship or transaction between the Non-Executive Directors and the company during the financial year 2015-2016.

**(b) Criteria of making payments to Non-Executive Directors:**

Overall remuneration (sitting fees and commission) decided by the Board is reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

- a) Remuneration / Commission:  
The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- b) Sitting Fees:  
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) Commission:  
Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- d) Stock Options:  
An Independent Director shall not be entitled to any stock option of the Company.  
Payment criteria of Non-Executive directors are the given in the Nomination and Remuneration Policy. The web link for the same is <http://indagrubber.com/demoversion/wp-content/uploads/NRC-policy.pdf>.

**(c) Details of Remuneration to Directors:** The Company has paid the following remuneration to Directors during the year under review, which is in accordance with the section 177(4) of the Companies Act, 2013.

### (i) Non-Executive Directors

The remuneration of Non-Executive Directors of the Company is decided by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The Non-Executive Directors are paid remuneration by way of Commission and Sitting fee. In terms of approval of the members at the 34<sup>th</sup> Annual General Meeting of the Company held on July 19, 2013, Commission is paid at the rate not exceeding one percent of the net profits of the Company calculated in accordance with the provisions of section 197 and 198 of the Companies Act, 2013. The distribution of Commission amongst the Non-Executive Directors is determined by the Board broadly on the basis of contribution made at the Board meeting(s) as well as various Committee meeting(s) and the time spent on operational matters.

The Non-Executive Directors are paid sitting fee of Rs. 20,000/- per meeting for attending the meetings of Board and Audit Committee and Rs. 10,000/- per meeting for attending other Committee meetings. However, the Board has decided that no sitting shall be paid for attending the meeting of CSR Committee (w.e.f. 21<sup>st</sup> May, 2015) and Stakeholder Relationship Committee (w.e.f. 4<sup>th</sup> November, 2015).

Name of the Director	Relationship with other Directors	Sitting fee paid during 2015-16 (Rs.)*	Commission paid for the year (Rs.)		Number of shares and convertible instruments held
			2015-16	2014-15	
Sh. P. R. Khanna	Nil	2,90,000	14,20,000	15,00,000	Nil
Sh. R. Parameswar	Nil	2,70,000	14,20,000	15,00,000	Nil
Sh. K. M. S. Ahluwalia	Nil	Nil	Nil	5,18,000	Nil
Ms. Bindu Saxena	Nil	1,50,000	14,20,000	5,18,000	Nil
Sh. Shiv Khemka	Relative of Sh. Nand Khemka and Sh.Uday Khemka	40,000	5,70,849	Nil	12,50,750 (joint holding with Mrs. Urvashi Khemka)
Sh. Uday Khemka	Relative of Sh. Nand Khemka and Sh. Shiv Khemka	20,000	2,80,000	5,18,000 (relinquished)	12,50,750

\*Sitting fee is exclusive of service tax as applicable.

No severance fee was paid to the non-executive directors of the Company.

### (ii) Whole Time Director

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2015-16 (Rs. in lacs)			
			All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Sh. K. K. Kapur	Nil	CEO & Whole time Director	255.57	255.57	-	-

- Bonus for the year 2015-2016 amounted to Rs.183.16 lacs.
- The appointment is subject to termination by giving one month notice in writing on either side. Sh. K. K. Kapur is being re-appointed as the Whole Time Director w.e.f. June 1, 2016 for a period of three years.
- The Company does not have at present any scheme for grant of Stock Options to its Directors or Employees.

### (iii) Managing Director

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2015-16 (Rs. in lacs)			
			All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Sh. Nand Khemka	Relative of Sh. Shiv Khemka and Uday Khemka	Chairman cum Managing Director	255.57	255.57	-	-

- Bonus for the year 2015-2016 amounted to Rs. 159.57 lacs.
- The appointment is subject to termination by giving three month notice in writing on either side. Sh. Nand Khemka has been re-appointed as the Managing Director w.e.f. April 1, 2015 for a period of five years.
- The Company does not have at present any scheme for grant of Stock Options to its Directors or Employees.

### VI. Stakeholder Relationship Committee

- The Stakeholder Relationship Committee looks into shareholders' and investors' grievances. Sh. R. Parameswar, Non-Executive Independent Director is the Chairman of the Committee. The Board has designated Mrs. Manali D. Bijlani, Company Secretary as the Compliance Officer.
- The details of the meetings held during the year as under-

Sl. No.	Name of the Director	Category	No. of meeting attended
1	Sh. R Parameswar (Chairman)	Non-Executive Independent Director	2 of 2
2	Sh. Nand Khemka	Executive Promoter Director	2 of 2
3	Sh. K K Kapur	Executive (Interested)	2 of 2

- No. of investors' complaints received by the RTA/ Company during the year: 1  
No. of complaints not solved to the satisfaction of shareholders during the year: Nil  
No. of complaints pending as at 31<sup>st</sup> March, 2016: Nil

#### Warning against Insider Trading

Comprehensive guidelines advising and cautioning the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of the company have been issued and implemented.



## VI. General Body Meetings

The details of the last three Annual General Meetings held are as under:

AGM	Day	Date	Time	Venue	Whether Special Resolution passed
34 <sup>th</sup>	Friday	19 <sup>th</sup> July, 2013	10.00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	Yes
35 <sup>th</sup>	Friday	25 <sup>th</sup> July, 2014	10.00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	Yes
36 <sup>th</sup>	Friday	14 <sup>th</sup> August, 2015	10.00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	No

The details of Special Resolution(s) passed through Postal Ballot are as under: No special resolution was passed in the year 2015-2016 through Postal Ballot.

## VII. Means of Communication

Quarterly, half-yearly and annual financial results are communicated to the Bombay Stock Exchange at Mumbai immediately after these are considered and approved by the Board; and thereafter regularly published in the prominent newspapers like Business Standard (both English & Hindi), Financial Express etc. as required. Quarterly and annual financial statements, along with presentation on financial results and official news releases, are posted on our website: [www.indagrubber.com](http://www.indagrubber.com). Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

## VIII. General Shareholders' Information

### (i) Annual General Meeting to be held:

Day	: Friday
Date	: 27 <sup>th</sup> May, 2016
Time	: 10:00 A.M.
Venue	: Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi

(ii) Financial Year : 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

(iii) Dividend Payment Date : June 10, 2016

### (iv) Stock Exchanges on which the Company's Shares are listed:

The Bombay Stock Exchange,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai – 400 001

The Listing Fees as applicable have been paid within prescribed time period.

### (v) Stock Code:

ISIN under depository system	INE802D01023
The Stock Exchange, Mumbai	509162

**(vi) Market Price Data: High/Low during each month during the financial year 2015-2016:**

The details of Monthly High and Low price(s) on the Stock Exchange, Mumbai, for the Financial Year 2015-2016 are as under:

Month	Monthly High	Monthly Low	S&P BSE SENSEX Monthly High	S&P BSE SENSEX Monthly Low
April, 2015	229.00	174.00	29,094.61	26,897.54
May, 2015	194.50	155.00	28,071.16	26,423.99
June, 2015	187.20	148.10	27,968.75	26,307.07
July, 2015	209.70	173.50	28,578.33	27,416.39
August, 2015	216.80	163.10	28,417.59	25,298.42
September, 2015	188.50	165.00	26,471.82	24,833.54
October, 2015	210.80	173.10	27,618.14	26,168.71
November, 2015	231.00	180.00	26,824.30	25,451.42
December, 2015	237.00	200.10	26,256.42	24,867.73
January, 2016	226.00	164.00	26,197.27	23,839.76
February, 2016	184.70	145.60	25,002.32	22,494.61
March, 2016	174.90	151.30	25,479.62	23,133.18

**(vii) Registrar & Share Transfer Agent:**

Skyline Financial Services (P) Limited, D-153/A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.

**(viii) Share Transfer System:**

In order to expedite the process of share transfers, the Board has delegated the power to approve share transfers to senior executives, who attend to share transfer formalities fortnightly. The Company has appointed Skyline Financial Services (P) Limited as Registrar and Share Transfer Agents for physical transfer of securities as well as dematerialization/ rematerialization of securities.

**(ix) Distribution of Shareholding as on March 31, 2016:**

No. of equity shares held	Shareholders		% of Shareholding	
	Number	% to total	Total shares	% in total
Up to 500	6512	83.21	11,19,545	4.26
501 to 1000	635	8.11	5,14,907	1.96
1001 to 2000	288	3.68	4,34,698	1.66
2001 to 3000	120	1.53	3,01,185	1.15
3001 to 4000	58	0.74	2,06,793	0.79
4001 to 5000	59	0.75	2,83,263	1.08
5001 to 10000	72	0.92	5,44,013	2.07
10001 and above	82	1.05	2,28,45,596	87.03
<b>Total</b>	<b>7826</b>	<b>100</b>	<b>2,62,50,000</b>	<b>100</b>

**(x) Categories of Shareholding as on March 31, 2016:**

Category	No. of Shares held	% of Shareholding
Indian Promoters	78,25,428	29.81
Foreign Promoters	5,13,000	1.95
Directors & their relatives	1,12,85,010	42.99
UTI/Financial Institutions & Banks	2,250	0.01
Body Corporate	8,19,221	3.12
NRI/ OCB/ Clearing House/ Public Trust	2,35,593	0.90
Foreign Institutional Investors	58,355	0.22
Indian Public	55,11,143	20.99
<b>Total</b>	<b>2,62,50,000</b>	<b>100</b>

**(xi) Dematerialization of shares:**

The Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to handle dematerialization of shares.

As on March 31, 2016, a total of 2,55,40,415 equity shares which form 97.30% of the share capital stand dematerialized.

**(xii) Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments**

The Company has not issued Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.

**(xiii) Commodity Price Risk/ Foreign Exchange Risk and Hedging**

The Company did not engage in hedging activities.

**(xiii) Plant Location :**

- (a) Plot No. 86, Industrial Area, Bhiwadi – 301019, Dist.Alwar, Rajasthan (India) – (DORMANT)
- (b) Village Jhiriwala, Hadbast No. 73, Nalagarh, District Solan, (Himachal Pradesh)

**(xiv) Address for Correspondence:**

- (a) For Transfer of physical shares, request for dematerialization of shares, change of mandates/ address or any other query : Skyline Financial Services (P) Limited  
D-153/A, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase-1, New Delhi-110020  
grievances@skylinerta.com
- (b) For any investor grievance : The Company Secretary  
Indag Rubber Limited  
11, Community Centre, Saket, New Delhi – 110 017  
Phone no.: (011) 26963172, 26963173  
info@indagrubber.com

**X. Disclosures**

- (i) During the financial year ended 31<sup>st</sup> March, 2016 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- (ii) Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any statutory authority on any capital market related matters during the last three years.

- (iii) The Company has announced Whistle Blower policy. All the personnel of the company have the access to the Audit Committee.
- (iv) The Company has complied with the mandatory requirements of the Listing Regulation. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- (v) The Company has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the same is <http://indagrubber.com/demoversion/wp-content/uploads/Policy-for-determining-Material-Subsidiary.pdf>.
- (vi) The company has framed Related Party Transaction Policy and is placed on the Company's website and the web link for the same is <http://indagrubber.com/demoversion/wp-content/uploads/Policy-on-materiality-of-Related-Party-Transaction.pdf>.
- (vii) During the financial year ended 31<sup>st</sup> March, 2016 the company did not engage in commodity hedging activities.

**XI. There has been no instance of non-compliance of any requirement of Corporate Governance Report.**

**XII. ADOPTION OF NON-MANDATORY REQUIREMENTS**

**I. The Board**

Since the Company does not have a Non-Executive Chairman, it does not maintain such office.

**II. Shareholder Rights**

Half yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company like quarterly results.

**III. Audit Qualifications**

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.

**IV. Separate posts of Chairman and CEO**

The post of the Chairman of the Company and the CEO are held by different persons.

**V. Reporting of Internal Auditor**

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

**XII. The Company has fully complied with the applicable requirement specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46.**

**Disclosure of Accounting Treatment**

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

**Demat Suspense Account/Unclaimed Suspense Account**

Pursuant to Regulation 39 (4) read with Schedule VI of the Listing Regulations, 2015, the company is required to send at least three reminders at the last available address as per the records to the shareholders whose certificates were undelivered and returned to the Company.

The Company has sent first reminder to the shareholders on 29 January, 2016 whose physical share certificates, after split, were undelivered and returned to the Company. Second reminder will be sent in April/ May 2016 and last reminder will be sent in July/ August 2016.

Thereafter, in case of non-receipt of response to the reminders, unclaimed physical shares will be dematerialized and will be held in "Unclaimed Suspense Account", with details of shareholding of each individual allottee whose shares are credited to such unclaimed suspense account. All corporate benefits shall also be credited to such suspense account for a period of 7 years and thereafter shall be transferred to IEPF.

## COMPLIANCE CERTIFICATE

To

**The Members**  
**Indag Rubber Limited**

We have examined the compliance of conditions of Corporate Governance by Indag Rubber Limited ('the Company'), for the year ended on 31st March, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

We further state that 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 RMG & Associates**  
Company Secretaries

Date : April 14, 2016  
Place : New Delhi

**CS Manish Gupta**  
Partner  
FCS: 5123; C.P. No.: 4095

## **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Office No.-601, 6th Floor  
World mark-1, Aerocity,  
New Delhi - 110037  
Tel : +91-11-66718000  
Fax : +91-11-66719999

### **INDEPENDENT AUDITOR'S REPORT**

#### **To the Members of Indag Rubber Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Indag Rubber Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Opinion**

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 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 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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".
  - (g) With respect to the other matters to be included in the Auditor's 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 on its financial position in its financial statements – Refer Note 29 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

### per **Anil Gupta**

Partner

Membership Number: 87921

Place : New Delhi

Date : April 14, 2016

**Annexure referred to in paragraph ‘Report on Other Legal and Regulatory Requirements’ of our report of even date  
Re: Indag Rubber Limited (‘the Company’)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Companies Act 2013 in respect of investments made during the year.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount (Rs.in lacs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax demand	139.15	A.Y.1998-99	Delhi High Court
Income Tax Act, 1961	Income Tax demand	8.93	A.Y.2013-14	CIT (Appeals), New Delhi
Himachal Pradesh Tax on entry of Goods into Local Area Act, 2010	Entry Tax	739.59	March 2011, 2011-12, 2012-13, 2013-14, 2014-15 & 2015-16	Supreme Court



Name of the statute	Nature of dues	Amount (Rs.in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	6.90	April 2006 to March 2009	Commissioner (Appeals), Central Excise & Service Tax, Chandigarh-II
Gujarat Sales Tax Act, 1969	Non-submission of C-forms	23.30	F.Y. 2002-03	Deputy Commissioner, Vadodara

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. Further, the Company does not have any debentures and loan from financial institution or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

**per Anil Gupta**

Partner

Membership Number: 87921

Place : New Delhi

Date : April 14, 2016

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDAG RUBBER LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of Indag Rubber Limited

We have audited the internal financial controls over financial reporting of Indag Rubber Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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.

### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 14, 2016 expressed an unqualified opinion thereon.

### **For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

### **per Anil Gupta**

Partner

Membership Number: 87921

Place : New Delhi

Date : April 14, 2016

## Balance Sheet as at 31 March 2016

	Notes	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Equity and liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	3	525.00	525.00
Reserves and surplus	4	15,187.46	12,275.79
		15,712.46	12,800.79
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	261.97	28.39
Long-term provisions	6	-	11.26
		261.97	39.65
<b>Current liabilities</b>			
Trade payables	7		
a) Total outstanding dues of micro enterprises and small enterprises		6.27	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,078.82	1,882.72
Other current liabilities	7	1,494.47	1,171.12
Short-term provisions	6	116.15	607.19
		2,695.71	3,661.03
<b>TOTAL</b>		<b>18,670.14</b>	<b>16,501.47</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant and Equipment	8	2,744.59	2,219.01
Intangible assets	9	6.38	9.22
Capital work-in-progress		428.75	436.31
Loans and advances	10	122.96	163.34
Non-current investments	11	5,370.23	1,397.24
Other non-current assets	16	4.01	11.89
		8,676.92	4,237.02
<b>Current assets</b>			
Current investments	12	2,969.40	4,950.24
Inventories	13	2,935.06	3,040.50
Trade receivables	14	3,011.70	3,380.38
Cash and bank balances	15	431.27	424.10
Loans and advances	10	610.41	425.18
Other current assets	16	35.38	44.05
		9,993.22	12,264.45
<b>TOTAL</b>		<b>18,670.14</b>	<b>16,501.47</b>
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.: 301003E

per **Anil Gupta**

Partner

Membership no.: 87921

Place : New Delhi

Date : April 14, 2016

**K. K. Kapur**

CEO and Whole Time Director

**P.R. Khanna**

Director

**Manali D Bijlani**

Company Secretary

**J. K. Jain**

Chief Financial Officer

## Statement of profit and loss for the year ended 31 March 2016

	Notes	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
<b>Income</b>			
Revenue from operations (gross)	17	25,473.36	24,188.54
Less: Excise duty		193.14	-
Revenue from operations (net)		25,280.22	24,188.54
Other income	18	507.59	338.59
<b>Total revenue (I)</b>		<b>25,787.81</b>	<b>24,527.13</b>
<b>Expenses</b>			
Cost of raw materials consumed	19	15,034.84	15,596.47
Purchase of traded goods		23.36	27.70
(Increase)/ decrease in inventories	20	10.95	39.19
Employee benefits expense	21	2,101.66	1,744.18
Other expenses	22	3,522.87	2,695.33
Depreciation and amortisation expenses	23	275.87	196.29
Finance costs	24	29.42	23.02
<b>Total (II)</b>		<b>20,998.97</b>	<b>20,322.18</b>
<b>Profit before tax</b>		<b>4,788.84</b>	<b>4,204.95</b>
<b>Tax expense</b>			
Current tax		1,358.29	1,069.53
Deferred tax charge/ (credit)		233.58	(106.86)
Income tax adjustment for earlier years		(0.48)	(16.58)
Total tax expense		1,591.39	946.09
<b>Profit for the year</b>		<b>3,197.45</b>	<b>3,258.86</b>
<b>Earnings per equity share</b>			
Basic and diluted (Rs.) [Nominal value of share Rs.2/- (Previous year Rs.10/- but restated at Rs.2/- for comparison purpose)]	25	12.18	12.41
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.: 301003E

per **Anil Gupta**

Partner

Membership no.: 87921

**K. K. Kapur**

CEO and Whole Time Director

**P.R. Khanna**

Director

Place: New Delhi

Date : April 14, 2016

**Manali D Bijlani**

Company Secretary

**J. K. Jain**

Chief Financial Officer

## Cash flow statements for the year ended 31 March 2016

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
<b>A. Cash flow from operating activities</b>		
Profit before tax	4,788.84	4,204.95
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation / amortisation	275.87	196.29
(Profit) on sale / disposal of property, plant and equipment (net)	(24.78)	(8.17)
Provision/ (reversal) of provision for doubtful debts and advances	3.27	(0.47)
Unrealized gain on foreign exchange fluctuation	(1.68)	(1.03)
(Profit) on sale of current investments (net)	(204.43)	(21.69)
(Profit) on sale of long term investments (net)	(5.19)	-
Dividend (income)	(212.28)	(144.56)
Interest expense	26.44	17.33
Interest (income)	(46.42)	(16.00)
<b>Operating profit before working capital changes</b>	<b>4,599.64</b>	<b>4,089.21</b>
<b>Movements in working capital:</b>		
Decrease/(increase) in trade receivables	367.09	(827.07)
Decrease in inventories	105.44	145.65
(Increase) in loans and advances and other assets	(175.08)	(173.55)
(Decrease)/ increase in trade payables and other current liabilities	(524.86)	709.10
(Decrease)/ increase in provisions	(39.42)	13.75
<b>Cash generated from operations</b>	<b>4,332.81</b>	<b>3,956.06</b>
Direct taxes paid (net of refunds)	(1,348.21)	(878.33)
<b>Net cash flow from operating activities</b>	<b>2,984.60</b>	<b>3,077.73</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(738.67)	(275.85)
Proceeds from sale of fixed assets	55.05	18.82
Purchase of current investments	(9,860.24)	(10,222.65)
Purchase of non-current investments	(3,016.15)	(1,258.78)
Proceeds from sale/ maturity of current investments	11,070.51	9,296.99
Proceeds from sale/ maturity of non-current investments	23.35	-
Investments in bank deposits (having original maturity of more than three months)	(142.15)	(81.54)
Maturity of bank deposits (having original maturity of more than three months)	77.37	47.11
Interest received	42.56	8.34
Dividend received	212.28	144.56
<b>Net cash (used in) investing activities</b>	<b>(2,276.09)</b>	<b>(2,323.00)</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(22.76)	(16.40)
Dividend paid	(622.71)	(568.49)
Tax on dividends paid	(128.26)	(98.15)
<b>Net cash (used in) financing activities</b>	<b>(773.73)</b>	<b>(683.04)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(65.22)</b>	<b>71.69</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>352.19</b>	<b>280.50</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>286.98</b>	<b>352.19</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	2.12	2.02
Balances with banks:		
- on current accounts	142.58	257.37
- on cash credit accounts	101.89	58.16
- on fixed deposit accounts	-	1.54
- on unclaimed dividend accounts *	40.39	33.10
<b>Total cash and cash equivalents (refer note 15)</b>	<b>286.98</b>	<b>352.19</b>

\* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

### Notes:

- Previous year's figures have been regrouped, where necessary to conform to current year's classification.
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard- 3 on Cash Flow Statement specified under Section 133 of the Companies Act, 2013.
- Cash flow from operating activities for the year ended March 31, 2016 is after considering CSR expenditure of Rs. 70.79 lacs (previous year Rs. 23.93 lacs).

As per our report of even date

For and on behalf of the Board of Directors

**For S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 301003E

**K. K. Kapur**  
CEO and Whole Time Director

**P. R. Khanna**  
Director

per **Anil Gupta**  
Partner  
Membership no.: 87921

**Manali D Bijlani**  
Company Secretary

**J. K. Jain**  
Chief Financial Officer

Place : New Delhi  
Date : April 14, 2016

## Notes to financial statements for the year ended 31 March 2016

### 1 Corporate information

Indag Rubber Limited (hereinafter referred to as 'the Company') is a public company domiciled in India. Its shares are listed on Bombay stock exchange. The Company is engaged in the manufacturing and selling of Precured Tread Rubber and allied products.

### 2 Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those used in previous year, except for the change in accounting policy explained below.

#### 2.1 Summary of significant accounting policies

##### Change in accounting policy

###### (i) Accounting for proposed dividend

As per the requirements of pre-revised Accounting Standard- 4, the Company used to create a liability for dividend proposed after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per Accounting Standard- 4(Revised), the Company cannot create provision for dividend proposed after the balance sheet date unless a statute requires otherwise. Rather, Company will need to disclose the same in notes to the financial statements. Accordingly, the Company has disclosed dividend proposed by board of directors after the balance sheet date in the notes to the financial statements.

Had the Company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss would have been lower by Rs.473.91 lacs and current provision would have been higher by Rs.473.91 lacs (including dividend distribution tax of Rs.80.16 lacs).

###### a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

###### b) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing plant, property and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment 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.

###### c) Depreciation on property, plant and equipment

Leasehold land is amortized on a straight line basis over the period of lease i.e., 95/99 years.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management, which are equal to the useful lives prescribed under Schedule II to the Companies Act, 2013.

Depreciation on the amount of adjustment to property, plant and equipment on account of capitalisation of insurance spares is provided over the remaining useful lives of related assets.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Costs relating to software, software licenses and website development, which are acquired, are capitalized and amortized on a straight-line basis over their four year useful lives or actual period of license, whichever is lower.

#### **e) Leases**

##### **Where the Company is lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### **f) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

#### **g) Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a year of five years. For longer years, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



## h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long - term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## i) Inventories

### Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on moving weighted average method.

Work in progress and finished goods (own manufactured)

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on monthly moving weighted average basis.

Traded goods

Lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

## j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

### Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

### Sale of services (Income from services)

Revenue from sale of services is recognized as and when the services are rendered.

### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### Export Benefits

Export entitlements in the form of Duty Drawback Scheme, Focus Product Scheme and Merchandise Export from India are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

## k) Foreign currency translation

### Initial Recognition

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

### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured 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 measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## l) Retirement and other employee benefits

- (i) Retirement benefits in the form of provident fund (where contributed to the Regional PF Commissioner) is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefits in the form of provident fund contributed to the Trust set up by the employer is a defined benefit scheme and is provided for on the basis of actuarial valuation of projected unit credit method made at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed funds is provided for as liability in the books by the Company.

- (ii) Gratuity liability under the Payment of Gratuity Act is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan has been funded by policy taken from Life Insurance Corporation of India. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.
- (iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- (iv) The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial

gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

#### **m) Income taxes**

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### **n) Segment reporting**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### **o) Earnings per equity share**

Basic earning per equity share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for share split that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **p) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **q) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**r) Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the years necessary to match them with the related costs, which they are intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

**s) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### 3. Share capital

	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Authorised shares (No. lacs)*</b>		
350 equity shares of Rs. 2/- each (Previous year 70 equity shares of Rs 10/- each)	<u>700.00</u>	<u>700.00</u>
<b>Issued, subscribed &amp; fully paid-up shares (No. lacs)*</b>		
262.50 equity shares of Rs. 2/- each fully paid up (Previous year 52.50 equity shares of Rs 10/- each)	<u>525.00</u>	<u>525.00</u>
<b>Total issued, subscribed &amp; fully paid-up share capital</b>	<u>525.00</u>	<u>525.00</u>

#### \*Sub Division of Equity Shares

Pursuant to the approval of the members through postal ballot / e-voting on 20 March 2015 for sub-division of the equity shares of the Company, each equity share of nominal face value of Rs. 10/- each was sub-divided to equity share of nominal face value of Rs. 2/- each. The effective date of the said sub-division was 24 April 2015.

#### (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity shares	As at 31 March 2016		As at 31 March 2015	
	No. of shares	(Rs. in lacs)	No. of shares	(Rs. in lacs)
At the beginning of the year			5,250,000	525.00
52,50,000 equity shares of Rs 10/- each sub-divided into 5 equity Shares of Rs 2/- each	<u>26,250,000</u>	<u>525.00</u>	-	-
Outstanding at the end of the year	<u>26,250,000</u>	<u>525.00</u>	5,250,000	525.00

#### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 2 per share (Previous year Rs 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended 31 March 2016, the amount of per share dividend recognized as distribution to equity shareholders was Rs.0.90 of Rs 2/- each, (Previous year Rs.12 of Rs 10/- each).

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

#### (c) Detail of shareholders holding more than 5% shares in the Company

	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of Rs. 2 (Previous Year Rs 10) each fully paid</b>				
(i) Mrs. Jeet Khemka	8,765,005	33.39%	1,753,001	33.39%
(ii) Khemka Aviation Private Limited	6,272,325	23.89%	1,254,465	23.89%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### (d) Proposed dividend on equity shares

	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
The Board of Directors proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on 31 March 2016 (Rs.1.50 per share of Rs.2/- each (Previous year Rs.7.50 per share of Rs.10/- each)	393.75	393.75
Dividend distribution tax on proposed dividend	80.16	78.73
	<u>473.91*</u>	<u>472.48**</u>

\* Not accrued during the year (refer note no 2.1 (i))

\*\* Accrued in the last year

#### 4. Reserves and surplus

	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Capital reserve</b>		
a) Central Cash Subsidy (As per the last financial statements)	30.00	30.00
b) Profit on re-issue of forfeited shares (As per the last financial statements)	0.29	0.29
	<u>30.29</u>	<u>30.29</u>
<b>Securities premium account (As per the last financial statements)</b>	<u>450.00</u>	<u>450.00</u>
<b>General reserve</b>		
Balance as per the last financial statements	1,118.80	1,118.80
<b>Closing balance</b>	<u>1,118.80</u>	<u>1,118.80</u>
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last financial statements	10,676.70	8,181.86
Less : Carrying value of fixed assets having Nil useful life as per Schedule II of Companies Act, 2013 (net of tax of Nil, previous year Rs 4.73 lacs)	-	15.14
Profit for the year	3,197.45	3,258.86
Amount available for appropriation	13,874.15	11,425.58
Less : Appropriations		
Proposed final dividend (previous year Rs. 7.50 of Rs 10/- each)	-	393.75
Interim dividend (amount per share Rs 0.90 of Rs 2/- each, previous year Rs. 4.50 of Rs.10/- each)	236.25	236.25
Tax on dividends	49.53	118.88
<b>Net surplus in the statement of profit and loss</b>	<u>13,588.37</u>	<u>10,676.70</u>
<b>Total reserves and surplus</b>	<u>15,187.46</u>	<u>12,275.79</u>

## 5. Deferred tax liabilities (net)

	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	315.90	240.27
<b>Gross deferred tax liabilities (A)</b>	<b>315.90</b>	<b>240.27</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year/ earlier years but allowable for tax purposes on payment basis	51.15	196.06
Provision for doubtful debts and advances	2.78	15.82
<b>Gross deferred tax assets (B)</b>	<b>53.93</b>	<b>211.88</b>
<b>Net deferred tax liabilities (A-B)</b>	<b>261.97</b>	<b>28.39</b>

## 6. Provisions

	Long-term		Short-term	
	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 33)	-	11.26	-	33.43
Provision for leave encashment	-	-	74.98	69.71
	-	11.26	74.98	103.14
<b>Other provisions</b>				
Income tax (net of advance tax)	-	-	41.17	31.57
Proposed final dividend	-	-	-	393.75
Tax on proposed final dividend	-	-	-	78.73
	-	-	41.17	504.05
	-	11.26	116.15	607.19

## 7. Trade payables and other current liabilities

	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Trade payables</b>		
a) Total outstanding dues of micro enterprises and small enterprises (refer note 31 for details of dues to micro and small enterprises)	6.27	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,078.82	1,882.72
<b>(A)</b>	<b>1,085.09</b>	<b>1,882.72</b>
<b>Other current liabilities</b>		
Unpaid dividend #	40.39	33.10
Payable towards capital goods {includes Rs. 21.92 lacs (previous year Nil) dues to micro enterprises and small enterprises- refer note 31}	47.72	8.11
Retention money and security deposits	144.94	134.81
Advances from customers	18.25	13.28
<b>Other payables:</b>		
Sales tax / VAT payable	129.45	124.65
Excise duty payable	86.36	-
Interest on income tax payable	0.50	1.50
Interest on sales tax payable	5.20	-
Interest on security deposit payable	13.83	14.35
Others statutory dues payables	201.41	74.51
Accrued employees liabilities *	480.13	522.17
Other liabilities *	326.29	244.64
<b>(B)</b>	<b>1,494.47</b>	<b>1,171.12</b>
<b>Total (A+B)</b>	<b>2,579.56</b>	<b>3,053.84</b>

# Unpaid dividend is credited to Investor Education and Protection Fund as and when due.

\* includes payable to directors Rs. 276.00 lacs (previous year Rs. 381.33 lacs).



**8. Property, Plant and Equipment**
**(Rs. in lacs)**

	Freehold Land	Leasehold Land	Buildings	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total
<b>Cost</b>								
As at 01.04.2014	80.37	18.63	1,422.86	2,720.12	30.71	109.95	58.98	4,441.62
Additions	-	-	1.95	118.18	2.23	25.64	7.32	155.32
Deductions	-	-	-	56.58	-	2.70	10.30	69.58
<b>As at 31.03.2015</b>	<b>80.37</b>	<b>18.63</b>	<b>1,424.81</b>	<b>2,781.72</b>	<b>32.94</b>	<b>132.89</b>	<b>56.00</b>	<b>4,527.36</b>
Additions	-	-	3.84	787.22	1.85	20.59	13.85	827.35
Deductions	-	-	-	202.63	0.35	7.75	6.85	217.58
<b>As at 31.03.2016</b>	<b>80.37</b>	<b>18.63</b>	<b>1,428.65</b>	<b>3,366.31</b>	<b>34.44</b>	<b>145.73</b>	<b>63.00</b>	<b>5,137.13</b>
<b>Depreciation</b>								
As at 01.04.2014	-	2.48	315.23	1,718.34	24.97	66.63	30.06	2,157.71
Charge for the year	-	0.18	43.47	144.52	2.57	32.61	9.81	233.16
Adjustment due to changed method	-	-	-	-	(3.26)	(23.16)	(17.04)	(43.46)
Deductions	-	-	-	51.33	-	2.16	5.44	58.93
Transferred to opening retained earnings	-	-	6.09	2.11	0.04	11.63	-	19.87
<b>As at 31.03.2015</b>	<b>-</b>	<b>2.66</b>	<b>364.79</b>	<b>1,813.64</b>	<b>24.32</b>	<b>85.55</b>	<b>17.39</b>	<b>2,308.35</b>
Charge for the year	-	0.18	43.60	198.01	2.13	20.26	7.32	271.50
Deductions	-	-	-	176.47	0.33	7.36	3.15	187.31
<b>As at 31.03.2016</b>	<b>-</b>	<b>2.84</b>	<b>408.39</b>	<b>1,835.18</b>	<b>26.12</b>	<b>98.45</b>	<b>21.56</b>	<b>2,392.54</b>
<b>Net block</b>								
As at 31.03.2015	80.37	15.97	1,060.02	968.08	8.62	47.34	38.61	2,219.01
<b>As at 31.03.2016</b>	<b>80.37</b>	<b>15.79</b>	<b>1,020.26</b>	<b>1,531.13</b>	<b>8.32</b>	<b>47.28</b>	<b>41.44</b>	<b>2,744.59</b>

**9. Intangible assets**
**(Rs. in lacs)**

Particulars	Software	Website development	Total
<b>Gross block</b>			
<b>As at 01.04.2014</b>	<b>67.87</b>	<b>1.41</b>	<b>69.28</b>
Purchase	7.55	-	7.55
Deductions	-	-	-
<b>As at 31.03.2015</b>	<b>75.42</b>	<b>1.41</b>	<b>76.83</b>
Purchase	1.53	-	1.53
Deductions	-	-	-
<b>As at 31.03.2016</b>	<b>76.95</b>	<b>1.41</b>	<b>78.36</b>
<b>Amortization</b>			
As at 01.04.2014	59.61	1.41	61.02
Charge for the year	6.59	-	6.59
Deductions	-	-	-
<b>As at 31.03.2015</b>	<b>66.20</b>	<b>1.41</b>	<b>67.61</b>
Charge for the year	4.37	-	4.37
Deductions	-	-	-

Particulars	Software	Website development	Total
As at 31.03.2016	70.57	1.41	71.98
<b>Net block</b>			
As at 31.03.2015	9.22	-	9.22
As at 31.03.2016	6.38	-	6.38

## 10. Loans and advances

	Non Current		Current	
	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Capital advances</b>				
Unsecured, considered good	46.10	89.14	-	-
(A)	46.10	89.14	-	-
<b>Deposits</b>				
Unsecured, considered good	43.34	40.51	362.44	261.44
Doubtful	-	-	2.10	2.10
	43.34	40.51	364.54	263.54
Less: Provision for doubtful deposits	-	-	2.10	2.10
(B)	43.34	40.51	362.44	261.44
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	110.39	101.70
(C)	-	-	110.39	101.70
<b>Loan and advances to related parties (refer note 27)</b>				
Unsecured, considered good	-	-	-	1.27
(D)	-	-	-	1.27
<b>Other loans &amp; advances Unsecured, considered good</b>				
Advance tax / tax deducted at source/income tax refundable (net of provision for tax)	29.90	29.90	-	-
Prepaid expenses (refer note 33)	0.80	1.20	35.46	33.26
Loan and advances to employees	2.82	2.59	30.97	18.49
Balances with statutory/government authorities	-	-	25.55	2.80
Application money paid to India Whizdom fund (pending allotment)	-	-	42.86	-
Other advances	-	-	2.74	6.22
(E)	33.52	33.69	137.58	60.77
<b>Total (A+B+C+D+E)</b>	<b>122.96</b>	<b>163.34</b>	<b>610.41</b>	<b>425.18</b>

## 11. Non-current investments

	As at 31 March 2016			As at 31 March 2015		
	Face value per share/unit	No.	(Rs. in lacs)	Face value per share/unit	No.	(Rs. in lacs)
<b>Non-trade investments (valued at cost)</b>						
<b>(i) Investment in equity instruments</b>						
<b>Fully paid-up (Quoted)</b>						
IDFC Limited	10	32,370	29.24	10	13,770	20.99
IDFC Bank Limited	10	32,370*	19.03	-	-	-
Lupin Limited	2	2,300	34.70	2	1,750	24.56
Divis Laboratories Limited	2	2,800*	24.82	2	1,200	21.17
Idea Cellular Limited	10	9,000	14.97	10	9,000	14.97
AIA Engineering Limited	2	2,536	25.31	2	1,400	15.05
Motherson Sumi Systems Limited	1	8,500*	24.45	1	4,500	20.05
HDFC Bank Limited	2	6,177	60.07	2	3,790	36.24
Larsen and Toubro Limited	2	3,619	58.68	2	2,310	37.86
Tata Consultancy Services Limited	1	775	20.36	1	575	15.36
Sun Pharmaceuticals Industries Limited	1	1,750	14.81	1	1,750	14.81
Tata Motors Limited	2	9,638	47.96	2	6,125	32.67
Crompton Greaves Limited	2	27,860	49.29	2	10,000	18.99
Crompton Greaves Consumer Electricals Limited	2	27,860*	-	-	-	-
Titan Company Limited	1	4,000	15.46	1	4,000	15.46
Bajaj Finserv Limited	5	798	10.99	5	460	4.97
Engineers India Limited	5	2,185	5.03	5	2,185	5.03
Hero Motocorp Limited	2	1,174	32.60	2	698	20.79
Axis Bank Limited	2	6,763	35.95	2	4,500	24.88
TIL Limited	-	-	-	10	2,000	7.83
Havells India Limited	1	8,500	22.72	1	3,500	9.56
Redigton India Limited	-	-	-	2	7,500	10.33
South Indian bank Limited	1	50,000	13.99	1	50,000	13.99
Ultra Tech Cement Limited	10	900	27.05	10	700	21.16
Bata India Limited	5*	3,691*	21.39	10	1,250	15.38
Infosys Limited	5	2,650*	28.84	5	750	16.64
Asian Paints Limited	1	1,700	13.05	-	-	-
Grasim Industries Limited	10	600	20.97	-	-	-
ICICI Bank Limited	2	6,235	18.81	-	-	-
Tech Mahindra Limited	5	3,610	20.89	-	-	-
United Spirits Limited	10	603	20.30	-	-	-
Wipro Limited	2	3,682	20.04	-	-	-
Bank of Baroda	2	10,000	15.37	-	-	-
Bharat Forge Limited	2	2,100	23.82	-	-	-
Voltas Limited	1	6,600	19.96	-	-	-
Maruti Suzuki Limited	5	344	14.54	-	-	-
Cipla Limited	2	2,220	14.72	-	-	-
Kotak Mahindra Bank Limited	5	2,500	15.77	-	-	-
Mahindra CIE Automotive Limited	10	2,450	6.24	-	-	-
Mayur Uniquoters Limited	5	685	2.99	-	-	-
P.I. Industries Limited	1	935	6.02	-	-	-
Supreme Industries Limited	2	627	4.01	-	-	-
City Union Bank Limited	1	6,725	6.03	-	-	-
Indusind Bank Limited	10	650	6.01	-	-	-
ITC Limited	1	1,759	6.01	-	-	-
Persistent Systems Limited	10	888	6.02	-	-	-
Shriram City Union Finance Limited	10	347	6.02	-	-	-
Tata Motors Limited DVR	2	1,990	6.01	-	-	-
TVS Motor Company Limited	1	978	3.01	-	-	-
			<b>914.29</b>			<b>438.74</b>

	As at 31 March 2016			As at 31 March 2015		
	Face value per share/unit	No.	(Rs. in lacs)	Face value per share/unit	No.	(Rs. in lacs)
<b>(ii) Investment in Mutual Funds (Unquoted)</b>						
HDFC Prudence Fund-Direct Plan-Dividend	10	282,433.93	102.50	10	118,222.84	45.00
HDFC Mid Cap Opportunities Fund-Direct Plan-Dividend	10	930,424.61	280.00	10	387,989.46	119.00
HDFC Top 200 Fund-Direct Plan-Dividend	10	490,313.60	260.00	10	195,504.35	110.50
ICICI Prudential Balanced Fund- Direct Plan-Dividend	10	394,706.74	102.50	10	173,359.96	45.00
ICICI Prudential Balanced Fund- Direct Plan-Growth	10	2,787.69	2.50	10	2,787.69	2.50
Birla Sun Life Frontline Equity Fund-Dividend-Direct Plan-Payout	10	703,222.99	260.00	10	354,048.27	130.00
ICICI Prudential Value Discovery Fund Regular Plan Dividend	10	60,864.27	20.00	10	60,864.27	20.00
HDFC Equity Fund-Dividend Plan	10	115,764.28	70.00	10	115,764.28	70.00
Kotak Select Focus Fund-Regular Plan-Dividend	10	363,612.17	70.00	10	363,612.17	70.00
SBI Blue Chip Fund Regular Plan-Dividend	10	110,881.34	20.00	10	110,881.34	20.00
ICICI Prudential Top 200 Fund Regular Plan-Dividend	10	218,254.51	50.00	10	218,254.51	50.00
Kotak Equity Arbitrage Fund Direct Plan-Monthly Dividend	10	2,753,636.01	300.00	-	-	-
ICICI Prudential Equity Arbitrage Fund-Direct Plan-Dividend	10	2,072,498.06	300.00	-	-	-
Reliance Arbitrage Advantage Fund Direct Monthly Dividend Plan	10	3,777,578.68	400.00	-	-	-
Franklin India High Growth Companies Fund-Direct -Dividend Payout	10	202,815.07	50.00	-	-	-
ICICI Prudential Business Cycle Fund Series 1 Regular Plan Dividend Payout	10	1,000,000.00	100.00	-	-	-
DSP Black Rock Focus 25 Fund- Regular Plan- Dividend	10	317,944.81	50.00	-	-	-
UTI Fixed Maturity Plan-Yearly FMP Series YMFP (03/14)- Direct Growth Plan	10	9,750,000.00	975.00	-	-	-
UTI Fixed Term Income Fund Series XXII-VI (1098 Days)- Growth Plan	10	1,000,000.00	100.00	-	-	-
UTI Fixed Term Income Fund Series XXIV-V (1132 Days)- Direct Growth Plan	10	4,535,108.70	453.51	-	-	-
			<u>3,966.01</u>			<u>682.00</u>
<b>(iii) Investment in Bonds (Unquoted)</b>						
7.40% IIFCL (HNI) 22-JAN-33 (Tax Free)	1,000	18,250	188.22	1,000	18,250	188.22
8.26% IIFCL 23-Aug-28 (Tax Free)	1,000,000	8	88.28	1,000,000	8	88.28
			<u>276.50</u>			<u>276.50</u>
<b>(iv) Investment in Capital Venture Fund (Unquoted)</b>						
Zodius Technology Fund	10	795,029.00	80.00	-	-	-
			<u>80.00</u>			<u>-</u>
<b>(v) Investment in Real Estate Funds (Unquoted)</b>						
ICICI Prudential Real Estate AIF-1 (paid up Rs. 65 per unit)	100	200,000.00	133.43			-
			<u>133.43</u>			<u>-</u>
			<u>5,370.23</u>			<u>1,397.24</u>
(a) Aggregate amount of quoted investments			914.29			438.74
(b) Aggregate amount of unquoted investments			4,455.94			958.50
(c) Aggregate market value of quoted investments			808.28			461.49
(d) In the opinion of the management, decline in market value of unquoted investments in the units of certain mutual funds aggregating to Rs. 166.92 lacs (previous year Rs. 28.45 lacs) and quoted investments in the shares of certain equity instruments aggregating to Rs. 137.43 lacs (previous year Rs. 10.85 lacs) at the year end is temporary and hence does not call for any provision there against.						
*including shares received from following companies:						
<b>Company</b>	<b>No. of shares</b>		<b>Type</b>			
Infosys Limited	1,000		Bonus Shares			
Divis Laboratories Limited	1,400		Bonus Shares			
Motherson Sumi Systems Limited	2,250		Bonus Shares			
Bata India Limited	1,250		Splitting of face value from Rs 10 to Rs 5 per share			
IDFC Bank Limited	32,370		Received one share of IDFC Bank Limited on account of demerger of IDFC Limited			
Crompton Greaves Consumer Electricals Limited	27,860		Received one share of Crompton Greaves Consumer Electricals Limited on account of demerger of Crompton Greaves Limited.			

## 12. Current investments

	As at 31 March 2016			As at 31 March 2015		
	Face value per unit	No.	(Rs. in lacs)	Face value per unit	No.	(Rs. in lacs)
<b>Current investments (valued at lower of cost and fair value)</b>						
<b>Investments in Mutual Funds (Unquoted)</b>						
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Daily Dividend Reinvestment	-	-	-	1,000	148,865.96	1,492.16
UTI Money Market Fund - Institutional Plan - Direct plan - Growth	1,000	56,192.33	945.00	-	-	-
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth	1,000	197.27	4.01	1,000	37,993.61	700.00
UTI Fixed Maturity Plan-Yearly FMP Series YMFP (03/14)-Direct Growth Plan	-	-	-	10	9,750,000.00	975.00
UTI Dynamic Bond Fund- Direct Plan - Growth	10	326,151.48	50.00	10	326,151.48	50.00
UTI Short Term Income Fund- Institutional Option-Direct Plan - Growth	10	304,664.41	50.00	10	304,664.41	50.00
UTI Short Term Income Fund- Institutional Option-Direct Monthly Dividend Plan Reinvestment	10	7,280,449.51	772.63	-	-	-
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option - Dividend Reinvestment	-	-	-	1,000	562.60	8.60
Reliance Dynamic Bond Fund- Direct-Growth Plan	10	1,608,003.47	300.00	10	1,608,003.47	300.00
Reliance Short Term Fund- Direct Growth Plan-Growth option	10	387,133.24	100.00	10	387,133.24	100.00
Reliance Fixed Horizon Fund - XXV - Series - 27 - Direct Plan Growth Plan	-	-	-	10	4,000,000.00	400.00
Reliance Fixed Horizon Fund - XXVI Series 7 - Direct Plan Growth Plan	-	-	-	10	1,773,090.80	177.31
Goldman Sachs Mutual Funds-Liquid Bees-Dividend Reinvestment	1,000	1,761.09	17.62	1,000	175.06	1.75
Kotak Floater Short Term - Daily Dividend (Regular Plan)	1,000	466.69	4.72	1,000	3,118.58	31.55
SBI Debt Fund Series - A 5 - 411 Days - Direct - Growth	-	-	-	10	3,000,000.00	300.00
IDBI Liquid Fund - Direct Plan-Daily Dividend - Reinvestment	-	-	-	1,000	21,364.87	213.87
Reliance Liquid Fund - Cash Plan- Direct Growth Plan	-	-	-	1,000	6,713.74	150.00
Reliance Banking & PSU Debt Fund Direct Weekly Dividend Plan Re-investment	10	1,253,662.01	125.42	-	-	-
Reliance Quarterly Interval Fund- Series II- Direct Growth Plan Growth Option	10	487,878.65	100.00	-	-	-
Reliance Quarterly Interval Fund- Series III- Direct Growth Plan Growth Option	10	4,029,398.49	500.00	-	-	-
			<u>2,969.40</u>			<u>4,950.24</u>
Aggregate amount of unquoted investments (Net Assets Value as on 31st March 2016 is Rs. 3,019.79 lacs (previous year Rs. 5,173.96 lacs).			2,969.40			4,950.24

## 13. Inventories (valued at lower of cost and net realisable value)

	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
Raw materials [including stock in transit Rs.143.17 lacs (previous year Rs.240.49 lacs)] (refer note 19)	702.20	959.50
Packing materials	15.28	9.65
Stores and spare parts	64.80	77.57
Work-in-progress (refer note 20)	171.86	261.85
Finished goods (refer note 20)	1,967.96	1,712.52
Traded goods	12.96	19.41
	<u>2,935.06</u>	<u>3,040.50</u>

#### 14. Trade receivables

	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Outstanding for a period exceeding six months from the date they are due for payments</b>		
Unsecured, considered good	11.21	1.10
Doubtful	5.94	44.44
	<u>17.15</u>	<u>45.54</u>
Provision for doubtful receivables	5.94	44.44
	<u>11.21</u>	<u>1.10</u>
<b>Other receivables</b>		
Secured, considered good	90.30	92.03
Unsecured, considered good	2,910.19	3,287.25
	<u>3,000.49</u>	<u>3,379.28</u>
	<u>3,011.70</u>	<u>3,380.38</u>

#### 15. Cash and bank balances

	Non Current		Current	
	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	142.58	257.37
On cash credit accounts	-	-	101.89	58.16
Deposits with original maturity of less than 3 months *	-	-	-	1.54
On unpaid dividend accounts	-	-	40.39	33.10
Cash on hand	-	-	2.12	2.02
	<u>-</u>	<u>-</u>	<u>286.98</u>	<u>352.19</u>
<b>Other bank balances:</b>				
Deposits with original maturity for more than 12 months *	3.75	11.35	43.28	-
Deposits with original maturity for more than 3 months but less than 12 months *	-	-	100.97	71.87
Post office savings bank account (Pass Book pledged with excise authorities)	-	-	0.04	0.04
	<u>3.75</u>	<u>11.35</u>	<u>144.29</u>	<u>71.91</u>
Amount disclosed under non-current assets (refer note 16)	<u>(3.75)</u>	<u>(11.35)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>431.27</u>	<u>424.10</u>

\* Receipts pledged with banks and other government authorities of Rs. 148.02 lacs (previous year Rs. 84.76 lacs). Cash credit from banks are secured by first pari passu charge on entire current assets including stocks lying at the Company's factory at Nalagarh and other stock points, on book debts and on entire fixed assets of the Company, present and future. The cash credit is repayable on demand and carries interest @ 12.25% p.a. to 12.50% p.a.

## 16. Other assets

	Non Current		Current	
	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)	As at 31 March 2016 (Rs. in lacs)	As at 31 March 2015 (Rs. in lacs)
<b>Unsecured, considered good unless otherwise stated</b>				
Non-current bank balances (refer note 15)	3.75	11.35	-	-
(A)	<u>3.75</u>	<u>11.35</u>	<u>-</u>	<u>-</u>
<b>Others</b>				
Interest accrued on fixed deposits and others	0.26	0.54	8.55	4.46
Interest accrued on investments	-	-	6.59	6.54
Export benefits receivable	-	-	20.24	33.05
(B)	<u>0.26</u>	<u>0.54</u>	<u>35.38</u>	<u>44.05</u>
<b>Total (A+B)</b>	<u>4.01</u>	<u>11.89</u>	<u>35.38</u>	<u>44.05</u>

## 17. Revenue from operations

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
<b>Revenue from operations</b>		
<b>Sale of products:</b>		
Manufactured goods	25,305.92	23,987.69
Traded goods	39.31	27.58
	<u>25,345.23</u>	<u>24,015.27</u>
Less: Rebates and claims	9.06	9.43
	<u>25,336.17</u>	<u>24,005.84</u>
Sale of services	59.52	87.14
<b>Other operating revenue:</b>		
Scrap sales	55.89	44.03
Export benefits*	21.78	51.53
	<u>25,473.36</u>	<u>24,188.54</u>
<b>Revenue from operations (gross)</b>	<u>25,473.36</u>	<u>24,188.54</u>
Less : Excise duty# / **	193.14	-
<b>Revenue from operations (net)</b>	<u>25,280.22</u>	<u>24,188.54</u>

# Excise duty on sales amounting to Rs.193.14 lacs (previous year Nil) has been reduced from sales in statement of profit and loss and excise duty on increase in stock amounting to Rs.175.80 lacs (previous year Nil) has been considered as expense in note 20 to the financial statements.

\*\* The Company was availing the excise duty exemption at its manufacturing location at Nalagarh, Himachal Pradesh, which expired on 15th January 2016.

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
<b>Details of products sold</b>		
<b>Finished goods sold</b>		
Precured tread rubber	21,807.59	20,960.55
Bonding repair & extrusion gums (including envelopes)	2,131.93	1,724.95
Other materials	1,357.34	1,292.76
	<u>25,296.86</u>	<u>23,978.26</u>
Traded goods	39.31	27.58
	<u>25,336.17</u>	<u>24,005.84</u>
<b>Details of services rendered</b>		
Tyre Retreading services	59.52	87.14
	<u>59.52</u>	<u>87.14</u>

\* (including Nil (previous year Rs 5.90 lacs) relating to earlier years).

## 18. Other income

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
<b>Interest income on:</b>		
- Bank deposits	9.93	4.97
- Long-term investments	26.16	7.73
- Others	10.33	3.30
<b>Dividend income on:</b>		
- Current investments	89.72	116.83
- Long-term investments	122.56	27.73
Profit on sale of long-term investments	5.19	138.46
Profit on sale of current investments (net)	204.43	21.69
Profit on sale / disposal of property, plant and equipment (net)	24.78	8.17
Exchange differences (net)	4.79	0.85
Provision for doubtful debts written back	-	0.47
Bad Debts recovered	1.70	-
Other non-operating income	8.00	8.39
	<u>507.59</u>	<u>338.59</u>



## 19. Cost of raw materials consumed

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Inventory at the beginning of the year	959.50	952.85
Add : Purchases	14,777.54	15,603.12
Less : Inventory at the end of the year	702.20	959.50
<b>Cost of raw materials consumed</b>	<b>15,034.84</b>	<b>15,596.47</b>

### Details of raw materials consumed

Rubber	8,273.98	8,187.57
Carbon Black	3,296.49	3,762.77
Chemicals	3,052.06	3,255.27
Others	412.31	390.86
	<b>15,034.84</b>	<b>15,596.47</b>

### Details of Inventory

#### Raw materials

Rubber	445.36	528.75
Carbon Black	98.79	213.44
Chemicals	140.34	179.65
Others	17.71	37.66
	<b>702.20</b>	<b>959.50</b>

## 20. (Increase)/ Decrease in inventories

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Inventories at the end of the year		
Traded goods	12.96	19.41
Work-in-progress	171.86	261.85
Finished goods	1,967.96	1,712.52
	<b>2,152.78</b>	<b>1,993.78</b>
Inventories at the beginning of the year		
Traded goods	19.41	12.02
Work-in-progress	261.85	275.00
Finished Goods	1,712.52	1,854.47
	<b>1,993.78</b>	<b>2,141.49</b>

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
<b>(Increase)/decrease in inventories</b>	<b>(159.00)</b>	147.71
Insurance claim due to goods destroyed by fire or during transit	5.85	108.52
Excise duty on account of variation in inventories	175.80	-
	<u>10.95</u>	<u>39.19</u>
<b>Work in Progress</b>		
Precured Tread	149.11	243.77
Bonding repairs & extrusion gums (including envelopes)	5.72	1.70
Other materials	2.15	1.26
Raw materials at shop floor	14.88	15.12
	<u>171.86</u>	<u>261.85</u>
<b>Finished Goods</b>		
Precured tread rubber	1,834.12	1,550.08
Bonding repairs & extrusion gums (including envelopes)	87.42	101.40
Other materials	46.42	61.04
	<u>1,967.96</u>	<u>1,712.52</u>

## 21. Employee benefits expense

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Salaries, wages and bonus	1,948.43	1,593.08
Contribution to provident and other funds	97.10	90.37
Gratuity expense (refer note 33)	24.52	27.98
Staff welfare expenses	31.61	32.75
	<u>2,101.66</u>	<u>1,744.18</u>

## 22. Other expenses

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Consumption of stores and spare parts	106.04	84.90
Packing expenses	262.98	228.02
Power and fuel	553.44	492.24
Repairs and maintenance:		
- Plant & machinery	66.63	70.16
- Buildings	7.85	3.36
- Others	32.09	15.93
Rent [including rent on leasehold land of Rs. 4.06 lacs, (previous year Rs. 5.13 lacs)]	150.61	157.64
Rates and taxes	88.75	51.41
Insurance	45.19	32.71
Travelling and conveyance	247.72	221.91
Communication costs	59.00	53.75
Printing and stationary	14.77	17.32
Legal and professional fees	457.59	246.73
Payments to statutory auditors (refer details below)	39.55	42.12
Freight and forwarding charges	788.17	624.42
Provision for doubtful debts	3.27	-
Ir-recoverable balances written off	46.00	1.20
Less: Provision for doubtful debts adjusted out of above	41.77	-
Vehicle running and maintenance	27.17	29.31
Security and other service charges	41.14	38.00
Service charges to C & F agents	76.87	74.29
Advertisement and sales promotion	83.26	35.49
Commission on sales (other than to sole selling agents)	91.11	57.20
Bank charges	26.68	16.63
Donation	9.74	0.08
CSR expenditure (refer note 36)	70.79	23.93
Miscellaneous expenses	168.23	76.58
	<u>3,522.87</u>	<u>2,695.33</u>
<b>Payments to statutory auditor</b>		
As auditor:		
Audit fees	32.44	32.92
Tax audit fees	4.02	7.42
Certification	0.79	-
Reimbursement of expenses	2.30	1.78
	<u>39.55</u>	<u>42.12</u>

### 23. Depreciation and amortisation expenses

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Depreciation of property, plant and equipment	271.50	233.16
Adjustment due to changed method	-	(43.46)
Amortisation of intangible assets	4.37	6.59
	<u>275.87</u>	<u>196.29</u>

### 24. Finance costs

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Interest expense (including interest on income tax of Rs. 0.42 lac, previous year Rs. 1.39 lacs)	26.44	17.33
Other borrowing cost	2.98	5.69
	<u>29.42</u>	<u>23.02</u>

### 25. Earning per equity share

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Net profit as per statement of profit and loss	3,197.45	3,258.86
No. of equity shares at the beginning and closing of the year	26,250,000	26,250,000
Weighted average number of equity shares for calculating basic and diluted EPS	26,250,000	26,250,000
<b>Basic and Diluted earnings per share (Rs.)</b>	<u>12.18</u>	<u>12.41</u>

[Nominal value of shares Rs.2 (Previous year Rs.10 but restated at Rs.2 for comparison purpose)]

### 26. Segment Information

The Company is engaged in the manufacturing of the Precured Tread Rubber, Bonding Repair and Extrusion Gum and Rubber Cement, which are used for retreading of tyres. These products do not have any different risk and returns and thus the Company has only one business segment.

#### Segment Information

##### Geographical Segments

The Company has organized its manufacturing operations into two major geographical segments : Domestic (in India) and Overseas (Outside India).

The analysis of geographical segments is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

The following table shows the distribution of the Company's consolidated revenue and trade receivables by geographical market, regardless of where the goods were produced:

### Revenue by Geographical Market

	<b>31 March 2016</b> <b>(Rs. in lacs)</b>	31 March 2015 (Rs. in lacs)
Domestic	<b>24,504.53</b>	23,142.96
Overseas	<b>775.69</b>	1,045.58
<b>Total</b>	<b>25,280.22</b>	<b>24,188.54</b>

### Carrying amount of Segment Trade receivables by Geographical Market

	<b>31 March 2016</b> <b>(Rs. in lacs)</b>	31 March 2015 (Rs. in lacs)
Domestic	<b>2,799.77</b>	3,082.69
Overseas	<b>211.93</b>	297.69
<b>Total</b>	<b>3,011.70</b>	<b>3,380.38</b>

The Company has common fixed assets in India for producing goods/providing services to domestic as well as overseas market. Hence, separate figures for fixed assets/ addition to fixed assets have not been furnished.

## 27. Related party disclosures

The Company has the following related parties in accordance with Accounting Standard- 18 "Related Party Disclosures" notified under Section 133 of the Companies Act, 2013.

### Names of related parties and their relationships

- (a) Key management personnel
  - Mr. Nand Khemka (Chairman cum Managing Director)
  - Mr. K.K. Kapur (Whole Time Director)
- (b) Relatives of key management personnel
  - Mr. Shyam Lal Khemka, brother of Mr. Nand Khemka
  - Mrs. Jeet Khemka, wife of Mr. Nand Khemka
  - Mr. Shiv Vikram Khemka, son of Mr. Nand Khemka
  - Mr. Uday Harsh Khemka, son of Mr. Nand Khemka
  - Mrs. Urvashi Khemka, daughter-in-law of Mr. Nand Khemka
  - Mrs. Nitya Mohan Khemka, daughter-in-law of Mr. Nand Khemka
- (c) Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)
  - Unipatch Rubber Limited
  - Khemka Aviation Private Limited
  - Nand and Jeet Khemka Foundation
  - Khemka & Co. Pvt. Ltd.
  - Pankaj Dilip Pvt. Ltd.
  - Sun Securities Ltd.
  - Sun London Limited
  - Khemka Technical Services Pvt. Ltd.
  - Khemka Instruments Pvt. Ltd.
  - Youth Reach

No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.

### Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)		Relative of Key Management Personnel		Key Management Personnel		Total	
	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
<b>Transactions for the year:</b>								
<b>Sale of fixed assets</b>								
- Unipatch Rubber Limited	-	4.67	-	-	-	-	-	4.67
<b>Sale of finished goods</b>								
- Unipatch Rubber Limited	60.81	11.67	-	-	-	-	60.81	11.67
<b>Rent paid</b>								
- Khemka Aviation Pvt. Ltd.	75.18	76.11	-	-	-	-	75.18	76.11
- Mrs. Jeet Khemka	-	-	-	18.00	-	-	-	18.00
<b>Remuneration</b>								
- Mr. Nand Khemka	-	-	-	-	255.57	209.70	255.57	209.70
- Mr. K.K. Kapur	-	-	-	-	255.57	227.70	255.57	227.70
- Mr. Shiv Vikram Khemka	-	-	5.71	-	-	-	5.71	-
- Mr. Uday Harsh Khemka	-	-	2.80	5.18	-	-	2.80	5.18
<b>Sitting fees</b>								
- Mr. Shyam Lal Khemka	-	-	-	0.20	-	-	-	0.20
- Mr. Shiv Vikram Khemka	-	-	0.40	-	-	-	0.40	-
- Mr. Uday Harsh Khemka	-	-	0.20	0.20	-	-	0.20	0.20
<b>Reimbursement of expenses received</b>								
- Unipatch Rubber Limited	0.83	10.37	-	-	-	-	0.83	10.37
- Khemka Aviation Pvt. Ltd.	0.83	0.68	-	-	-	-	0.83	0.68
- Nand and Jeet Khemka Foundation	1.68	1.91	-	-	-	-	1.68	1.91
- Youth Reach	0.94	0.74	-	-	-	-	0.94	0.74
<b>Dividend paid</b>								
- Mr. Nand Khemka	-	-	-	-	0.44	0.41	0.44	0.41

	Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)		Relative of Key Management Personnel		Key Management Personnel		Total
	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	
- Mrs. Jeet Khemka	-	-	210.36	203.83	-	210.36	203.83
- Khemka Aviation Pvt. Ltd.	150.54	137.99	-	-	-	150.54	137.99
- Unipatch Rubber Limited	28.50	15.12	-	-	-	28.50	15.12
- Mrs. Urvashi Khemka (Joint holder with Mr. Shiv Vikram Khemka)	-	-	30.02	27.52	-	30.02	27.52
- Mr. Uday Harsh Khemka (Joint holder with Mrs. Nitya Mohan Khemka)	-	-	30.02	27.52	-	30.02	27.52
- Others	21.09	19.39	-	-	-	21.09	19.39
<b>CSR expenditure</b>							
- Youth Reach	46.86	15.39	-	-	-	46.86	15.39
<b>Security Deposit Taken</b>							
- Khemka Aviation Pvt. Ltd.	2.00	3.00	-	-	-	2.00	3.00
<b>Security Deposit Refunded</b>							
- Khemka Aviation Pvt. Ltd.	2.00	3.00	-	-	-	2.00	3.00
<b>Balances at the year end:</b>							
<b>Loans and advances</b>							
- Unipatch Rubber Limited	-	0.41	-	-	-	-	0.41
- Youth Reach	-	0.86	-	-	-	-	0.86
<b>Trade payables</b>							
- Mr. Nand Khemka	-	-	-	-	104.35	173.70	173.70
- Mr. K.K. Kapur	-	-	-	-	120.54	162.09	162.09
- Khemka Aviation Pvt. Ltd.	-	0.04	-	-	-	-	0.04
- Mr. Shiv Vikram Khemka	-	-	5.71	-	-	5.71	-
- Mr. Uday Harsh Khemka	-	-	2.80	5.18	-	2.80	5.18

**Notes:** (1) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(2) Other liabilities amounting to Rs 5.18 lacs towards Mr. Uday Harsh Khemka has been written back during the year

(3) Remuneration to the Whole Time Director includes value of perquisites based on actual payment or evaluated as per Income Tax Rules, 1962.

## 28. Capital and other commitments

	<b>31 March 2016 (Rs. in lacs)</b>	31 March 2015 (Rs. in lacs)
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 46.10 lacs, previous year Rs. 89.14 lacs)	<b>54.52</b>	118.62
b) Other Commitments		
i) Estimated future investments in Capital Venture Fund in terms of agreement with the fund	<b>20.00</b>	-
ii) Estimated future investments in ICICI Prudential Real Estate AIF-1 Fund in terms of agreement with the fund	<b>70.00</b>	-
iii) Estimated future investments in India Whizdom Fund in terms of agreement with the fund	<b>160.00</b>	-

## 29. Contingent liabilities (not provided for) in respect of:

	<b>31 March 2016 (Rs. in lacs)</b>	31 March 2015 (Rs. in lacs)
a) The Company is under litigation with the revenue authorities regarding an expenditure claimed by the Company arising out of an arbitration award. As per the Company, the expenditure should be allowed to them in the year the arbitrator has passed the award. The department is of the view that the liability is not accrued till the award becomes a rule of court and has therefore disallowed the expenditure in the AY 1998-99 (the year in which the Company claimed the expenditure). During the financial year 2006-2007, the Company has received a demand notice from Income tax authorities pursuant to the order by Income Tax Appellate Tribunal, Delhi. The Company is presently in appeal before the Hon'ble High Court. The Company has deposited Rs. 20.00 lacs against the above demand which is included in the 'Advance Tax' under note no. 10.	<b>159.15*</b>	159.15*
b) Pending Labour cases (i) in case of one employee (ii) in case of others	<b>5.31*</b> <b>Liability not ascertainable</b>	5.31* -
c) Demand raised by the Excise Authorities, being disputed by the Company.	<b>6.90*</b>	6.90*
d) Claims against the Company not acknowledged as debts. The Company had deposited Rs. 4.23 lacs against the aforesaid claim which was included in the 'Deposits' under note no. 10 of complete set of financial statements.	-	4.78*
e) Demand raised by the Sales Tax Authorities, being disputed by the Company.	<b>25.80*</b>	1.66*
f) Entry tax demand being disputed by the Company (excluding the amount of interest and penalty, if any, which can't be determined at this stage) #	<b>1,083.43*</b>	793.85*



g)	Differential amount of custom duty payable by the Company in case of non-fulfillment of export obligation excluding interest thereon against the import of capital goods made at concessional rate of duty.	35.36*	-
h)	Demand raised by Income Tax Authorities, being disputed by the Company for A.Y. 2013-14	8.93*	-
	<b>Total</b>	<b>1324.88</b>	<b>971.65</b>

# The Company had obtained a stay of the Himachal Pradesh Government order levying entry tax @ 2% on all goods entering the state with effect from 24th January, 2011. The same has been reduced to 1% w.e.f. July 13, 2011 and again increased to 2% w.e.f. March 01, 2014. The Hon'ble High Court, Shimla while staying the levy in an interim order, directed the Company to deposit 1/3rd of the assessed amount as "deposit" with the state government and furnish a bank guarantee for the balance 2/3rd amount to them. Since the cash payment as per court order is in the nature of deposits, no amount has been expensed off in the financial statements as entry tax. However, the cash deposited so far is Rs.343.84 lacs (previous year Rs.238.08 lacs) and bank guarantee furnished is for an amount of Rs.702.99 lacs (previous year Rs. 476.16 lacs). The Hon'ble High Court, Shimla had disposed off the writ petition on August 05, 2014 by providing that the writ petition shall be abide by the judgement of Supreme Court in the case of State of Orrisa & others versus M/s Reliance Industries Ltd. & others.

\* Based on the discussions with the solicitor/ expert opinions taken/status of the case, the management believes that the Company has strong chances of success in above mentioned cases and hence no provision there against is considered necessary at this point in time.

### 30. Leases

#### Operating Lease

The Company has taken offices, guest house, residence and warehouse premises under operating lease agreements. There are no purchase options in the lease agreements. There is an escalation clause in some of the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. The agreements are generally cancelable at the mutual consent of both the lessor and the lessee.

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Lease payments for the year	146.55	152.20

### 31. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	Particulars	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
1	Principal amount remaining unpaid to any supplier as at the end of each accounting year (including Rs. 21.92 lacs (previous year Nil) payable to capital creditors)	28.19	Nil
2	Interest due on above	Nil	Nil
	Total of (i) & (ii)	28.19	Nil
3	Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	Nil	Nil
4	Amount paid to the suppliers beyond the respective due date.	Nil	Nil

5	Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	Nil	Nil
6	Amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
7	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	Nil	Nil

### 32.1 Value of Imports calculated on CIF Basis

Particulars	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Capital goods	50.27	-
Raw materials	-	44.11
	<u>50.27</u>	<u>44.11</u>

### 32.2 Earnings in Foreign Currency (on accrual basis)

Particulars	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Exports at F.O.B. value	254.67	421.10
	<u>254.67</u>	<u>421.10</u>

### 32.3 Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Donation	9.49	-
Travelling and conveyance	1.88	3.69
Commission on sales	-	4.75
Others	1.01	-
	<u>12.38</u>	<u>8.44</u>

### 32.4 Net dividend remitted in foreign exchange

Year of remittance (ending on)	31 March 2016	31 March 2015
Number of non-resident shareholders	6	6
Number of equity shares held on which dividend was due	11,798,010	12,298,010
Amount remitted (Rs. in lacs) *	12.31	11.29
Year to which dividend relates	2014-15 & 2015-16	2013-14 & 2014-15

\* Excluding dividend of Rs.270.84 lacs (previous year Rs. 259.27 lacs) credited to FCNR/ NRE account of NRI's and paid to Overseas Corporate Bodies on repatriation basis.

### 33. Gratuity plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

#### Statement of profit and loss

Net employee benefit expense recognized in employee cost:

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Current service cost	27.63	24.86
Interest cost on benefit obligation	15.44	14.52
Expected return on plan assets	(13.52)	(11.63)
Net actuarial (gain)/loss recognized in the year	(5.03)	4.56
<b>Net benefit expense *</b>	<b>24.52</b>	<b>32.31</b>
Actual return on plan assets	15.55	11.52

\* excluding Nil (Previous year Rs 4.33 lacs) recovered from a Company in which one of the Directors of the Company is interested as a Director.

#### Balance Sheet

Benefit asset/ liability

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Defined benefit obligation	228.15	199.20
Fair value of plan assets	235.66	154.51
	7.51	(44.69)
Less: Unrecognized past service cost	-	-
<b>Plan asset/(liability)</b>	<b>7.51</b>	<b>(44.69)</b>

#### Changes in present value of the defined benefit obligation are as follows :

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Opening defined benefit obligation	199.20	170.85
Interest cost	15.44	14.52
Current service cost	27.63	24.86
Benefits paid	(11.12)	(15.48)
Actuarial loss/(gain) on obligation	(3.00)	4.45
<b>Closing defined benefit obligation</b>	<b>228.15</b>	<b>199.20</b>

### Changes in the fair value of plan assets are as follows:

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Opening fair value of plan assets	154.51	132.90
Expected return	13.52	11.63
Contributions by employer	76.72	25.57
Benefits paid	(11.12)	(15.48)
Actuarial (loss) /gain	2.03	(0.11)
<b>Closing fair value of plan assets</b>	<b>235.66</b>	<b>154.51</b>

### The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31 March 2016 (%)	31 March 2015 (%)
Investments with insurer	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

### The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31 March 2016 (%)	31 March 2015 (%)
Discount rate	7.75	7.75
Expected rate of return on plan assets	8.75	8.75
Increase in compensation cost	8.00	8.00
Employee turnover		
- upto 30 years	3.00	3.00
- above 30 years but upto 44 years	2.00	2.00
- above 44 years	1.00	1.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### Amounts for the current period and previous years are as follows:

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)	31 March 2012 (Rs. in lacs)
Defined benefit obligation	228.15	199.20	170.85	145.09	118.87
Plan assets	235.66	154.51	132.90	108.65	86.98
(Deficit)/Surplus	7.51	(44.69)	(37.95)	(36.44)	(31.89)
Experience adjustment on plan liabilities – gain / (loss)	3.00	16.92	(15.34)	3.02	(1.17)
Experience adjustment on plan assets – (loss) / gain	2.03	(0.78)	(0.01)	(7.84)	0.38

The Company expects to contribute Rs. 27.38 lacs (previous year Rs. 33.43 lacs) to gratuity fund during the next year.

### Provident Fund

The provident fund of few employees is being administered by a provident fund trust. The provident fund being administered by this Trust is a defined benefit scheme whereby the Company deposits an amount determined as a

fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to conform to the interest rate declared by the government for the Employees Provident Fund. The Guidance Note on implementing AS-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and based on the below provided assumptions, there is no shortfall as at 31 March 2016

**The principal assumptions used in determining provident fund obligations for the Company's plans are shown below:**

	31 March 2016	31 March 2015
Discount rate (%)	7.75	7.75
Employee turnover	LIC (1994-1996)	LIC (1994-1996)
Disability	None	None
Normal retirement age (years)	58	58

**The detail of fund and plan asset position as at 31 March 2016 is given below:**

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Plan assets at fair value	195.11	152.10
Present value of the defined benefit obligation	194.57	148.95
Surplus in fund	0.53	3.15
Asset recognized in the balance sheet	-	-

**Defined contribution plan:**

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)	31 March 2012 (Rs. in lacs)
Contribution to provident fund	65.04	59.48	52.10	44.37	34.53

#### 34. Imported and indigenous raw materials, packing materials and stores and spares consumed

	31 March 2016 % of total Consumption	31 March 2015	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
<b>Raw materials</b>				
Imported	-	0.38%	-	59.25
Indigenously obtained	100.00%	99.62%	15,034.84	15,537.22
	100.00%	100.00%	15,034.84	15,596.47
<b>Packing materials</b>				
Imported	-	-	-	-
Indigenously obtained	100.00%	100.00%	262.98	228.02
	100.00%	100.00%	262.98	228.02
<b>Stores and spares (including booked under Repairs &amp; Maintenance—Plant &amp; Machinery)</b>				
Imported	-	-	-	-
Indigenously obtained	100.00%	100.00%	157.00	135.33
	100.00%	100.00%	157.00	135.33

### 35. Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	31 March 2016		31 March 2015	
		Amount in foreign currency	Exchange rate	Amount in foreign currency	Exchange rate
Trade receivables	USD	153,210	66.33	310,238	62.59
Cash in hand	YUAN	794	10.27	794	10.17
	USD	-	-	300	62.59

### 36. Details of Corporate Social Responsibility (CSR) expenditure

	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
a) Gross amount required to be spent by the Company during the year	<b>72.89</b>	62.72
b) Amount spent during the year on the following in cash :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Contribution towards health care activities	<b>59.36</b>	20.39
- Contribution towards Women's Empowerment	<b>4.15</b>	0.36
- Contribution towards Education	<b>5.02</b>	1.28
- Contribution towards Relief & Welfare	<b>0.43</b>	0.73
- Contribution towards Social Infrastructure	<b>1.00</b>	0.86
- Others	<b>0.83</b>	0.31
<b>Total</b>	<b>70.79</b>	<b>23.93</b>

### 37. Disclosure required under Section 186(4) of the Companies Act, 2013

Particulars of Investment made	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)
Opening balance of investments	<b>715.24</b>	-
Investments made in equity shares of body corporates during the year	<b>493.69</b>	438.74
Investments made in corporate bonds during the year	-	276.50
Cost of investments sold in equity shares of body corporates during the year	<b>(18.14)</b>	-
<b>Closing balance of investments</b>	<b>1,190.79</b>	<b>715.24</b>

The details of investments made are given in note 11 and note 12 to the financial statements.

### 38. All figures in values are rupees in lacs.

### 39. Previous year figures

Previous year figures have been regrouped/reclassified, wherever necessary to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.: 301003E

**per Anil Gupta**

Partner

Membership no.: 87921

Place: New Delhi

Date : April 14, 2016

**K. K. Kapur**

CEO and Whole Time Director

**P.R. Khanna**

Director

**Manali D Bijlani**

Company Secretary

**J. K. Jain**

Chief Financial Officer



