

- **BOARD OF DIRECTORS**
  - Mr. Nand Khemka**  
(Chairman cum Managing Director)
  - Mr. P. R. Khanna**
  - Mr. R. Parameswar**
  - Ms. Bindu Saxena**
  - Mr. Shiv Khemka**
  - Mr. Uday Khemka**
  - Mr. Harjiv Singh**  
(till September 12, 2017)
  - Mr. 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) - 174101
  2. Plot No. SP 86, Industrial Area,  
Bhiwadi, Dist.Alwar, (Rajasthan) - 301019
  
- **BANKERS**

State Bank of India  
Kotak Mahindra Bank
  
- **STATUTORY AUDITORS**

Khanna & Annadhanam  
Chartered Accountants  
706, Akash Deep Building, 26-A,  
Barakhamba Road, New Delhi – 110001
  
- **INTERNAL AUDITORS**

Ernst & Young LLP  
Chartered Accountants  
Golf View Corporate Tower-B  
Sector-42, Sector Road, Gurgaon-122002
  
- **COST AUDITORS**

Shome & Banerjee  
Cost Accountants  
Pocket – C, Siddhartha Extension,  
New Delhi – 110014
  
- **SECRETARIAL AUDITORS**

RMG & Associates  
Company Secretaries  
207 Suchet Chambers  
1224/5 Bank Street, Karol Bagh,  
New Delhi – 110005

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## 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-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDAG RUBBER LIMITED WILL BE HELD ON TUESDAY, AUGUST 14, 2018 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 the financial statements of the company, and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**
  - a) Audited standalone financial statements of the company for the financial year ended March 31, 2018.  
“RESOLVED THAT the audited standalone financial statements of the Company including the balance sheet as on March 31, 2018, the statement of profit and loss, the cash flow statement for the year ended on that date and the reports of the Board of Directors and Auditors, thereon be and are hereby received, considered and adopted.”
  - b) Audited consolidated financial statements of the company for the financial year ended March 31, 2018.  
“RESOLVED THAT the audited consolidated financial statements of the Company including the balance sheet as on March 31, 2018, the statement of profit and loss, the cash flow statement for the year ended on that date and the report of the Auditors thereon be and are hereby received, considered and adopted.”
2. To appoint a Director in place of Mr. Shiv Khemka (DIN-01214671) who retires by rotation and being eligible, offers himself for re-appointment, 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 152 of the Companies Act, 2013, Mr. Shiv Khemka (DIN-01214671), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”
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 face value of Rs. 2/- each (75%), in addition to the interim dividend of Rs. 0.90/- per equity share of face value 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 as on August 14, 2018 (if shares held in physical form) and to those beneficial owners whose names are furnished by NSDL and CDSL as on the close of business hours on August 07, 2018 (if shares held in dematerialized form).

#### AS SPECIAL BUSINESS:

4. **Fixation of the remuneration of the Cost Auditors of the company for the financial year 2018-19.**  
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 to between the Board of Directors and Shome & Banerjee, (Registration No. 000001) Cost Accountants, Cost Auditors of the Company for the financial year commencing from April 1, 2018 till March 31, 2019.”

5. **Appointment of Mr. Harjiv Singh (DIN-00507695) as an Independent Director of the Company for second term.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and 161 and any other applicable provision of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof and as recommended by the Nomination and Remuneration Committee, consent of the members be and is hereby accorded for the appointment of Mr. Harjiv Singh (DIN-00507695) as an Independent Director of the company for a second term of 5 years with effect from May 24, 2018 till May 23, 2023, who was appointed as an Additional and Independent Director by the Board of Directors on May 24, 2018.

6. **Payment of Commission to Directors other than the Managing Director/ Whole-Time Director**

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 149(9) and 197 and other applicable provisions, if any, of the Companies Act, 2013, and rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded for payment of profit related commission of a sum not exceeding in aggregate 1% (one percent) of the net profits of the company for each financial year commencing from April 1, 2018 computed in accordance with the provisions of Section 198 of the Companies Act, 2013 to its Directors (other than the Managing Director / Whole-Time Director), but including Independent Directors to be divided amongst them in such proportion as may be determined by the Board of Directors.”

“RESOLVED FURTHER THAT the above commission shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee thereof or for rendering services of professional nature and reimbursement of expenses for participation in the Board and other meetings.”

7. **Re-classification of certain Promoters and Promoter Group category shareholders to Public category shareholders.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments thereof and other applicable laws and subject to necessary approvals from the SEBI, Stock Exchange and other appropriate statutory authorities as may be required, consent of the Members of the company be and is hereby accorded for re-classification of the following “Promoter and Promoter Group Category” shareholders of Company to “Public Category” shareholders, as the said Shareholders are neither involved in the decision making process of Company nor having any direct or indirect control on its affairs:

Sl. No.	Name of Promoters	No. of Equity Shares of Rs.2/- each	% of total equity share capital
1	Pankaj Dilip Private Limited	3,30,500	1.26
2	Khemka & Co. Agencies Pvt. Ltd.	27,688	0.11
3	Khemka Instruments Private Limited	5,000	0.02
4	Khemka Technical Services Private Limited	2,500	0.01
	<b>Total</b>	<b>3,65,688</b>	<b>1.40</b>

RESOLVED FURTHER THAT the aforesaid entities hold 1.40% of the total share capital of the Company in aggregate, being less than 10% of paid-up equity share capital of the Company and shall not have any special right through formal or informal arrangements and shall not directly or indirectly exercise control over the affairs of the company.

RESOLVED FURTHER THAT on approval of the SEBI/ Stock Exchange for the said re-classification, the company shall effect such re-classification in the Shareholding Pattern of the company from immediate succeeding quarter under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2015, SEBI (Prohibition of Insider Trading) Regulation, 2015 and other applicable laws.

RESOLVED FURTHER THAT Company Secretary and Compliance Officer or any other Key Managerial Personnel of the Company, be and is hereby singly and severally authorized to submit the application for re-classification to Bombay Stock Exchange, where the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution and to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company or of the Board.”

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

Date : May 24, 2018  
Place: New Delhi

**Manali D Bijlani**  
Company Secretary  
F4704

## NOTES

As Indag Rubber Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide remote e-voting facility or postal ballot 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 39th 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 July 06, 2018 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 August 8, 2018 to August 14, 2018 (both days inclusive).
5. 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 face value of Rs. 2/- each (75%) has been recommended by the Board of Directors, subject to the approval of the members at the ensuing Annual General Meeting for the year ended on March 31, 2018 is proposed to be paid on and from August 24, 2018. Interim Dividend for the year 2017-2018 of Rs. 0.90/- per equity share of face value of Rs. 2/- each (45%), was declared on November 10, 2017 and paid on November 29, 2017.
7. Members holding the shares in electronic form are advised to get their bank mandate, email id, mobile no. and PAN No. 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, which are yet to be transferred to IEPF.
9. 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 and email address. 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 are advised not to carry their personal belongings such as bags, eatables, laptops, mobile phones, arms, ammunitions or any other harmful/dangerous objects to the meeting venue.
16. Members may also note that the Notice of 39<sup>th</sup> Annual General Meeting and Annual Report for the year 2017-2018 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 39<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 Wednesday, August 08, 2018 (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 cast their vote by remote e-voting shall be entitled to cast their vote through Ballot papers.
  - d) Instructions for 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 cast 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 August 13, 2018, whichever is earlier).
    - vii. Now you are ready for 'e-Voting' as 'Cast Vote' page opens. Voting period commences on and from August 11, 2018 at 9:00 am and ends on August 13, 2018, 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 Saturday, August 11, 2018, (9:00 am) to Monday, August 13, 2018 (5:00 pm). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on August 08, 2018 (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 Wednesday, August 08, 2018 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 cast 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 Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 2 and 5 is as follows:

Item No.	2	5
Particulars	<b>Mr. Shiv Khemka</b>	<b>Mr. Harjiv Singh</b>
Din	01214671	00507695
Date of Birth/ Age	19-08-1962/ 55 years	22-08-1970/ 47 years
Date of first Appointment on the Board	14-08-2015	09-08-2016
Qualifications	Educated at Eton College, Brown University, and the Lauder program at The Wharton School, University of Pennsylvania.	Masters in International Affairs in Economic Policy Management from Columbia University's School of International and Public Affairs. He has also done MBA in Marketing and Bachelor in Finance from the New York Institute of Technology.
Experience in specific functional areas	Mr. Shiv Khemka is Vice Chairman of the SUN Group. Mr. Khemka was elected as '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).	Mr. Harjiv Singh is the co-founder and co-CEO of <u>Gutenberg Communications</u> , a global strategic communications firm with offices in the U.S., U.K. and India, where he works extensively with clients across a diverse range of industries like technology, real estate, investment management, academic and the non-profit sectors. He has advised clients like U.S.-India Business Council, UK Trade & Investment, GE, HSBC, New York City Economic Development Corporation (NYCEDC) and Quest Diagnostics.
Terms and condition of appointment/ re-appointment	Re-appointment as Non-Executive Director, liable to retire by rotation.	Re-appointment as an Independent Director (Additional Director) for the second term of 5 years w.e.f May 24, 2018 to May 23, 2023
Details of remuneration last drawn (2017-18)	Nil	Rs.1.50 lacs was given as Commission.
No. of Board Meeting attended during the year	4 of 4	1 of 2
Directorship held in other listed entities	Nil	Nil
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Nil
Number of shares held in the company	12,50,750 equity shares (jointly holding with Mrs. Urvashi Khemka)	Nil
Relationship with any Director(s), manager and other Key Managerial Personnel of the Company	Mr.Nand Khemka (Father) Mr.Uday Khemka (Brother)	Nil

## Explanatory Statement

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

### Item No. 4: Fixation of remuneration of Shome & Banerjee, Cost Auditors.

Shome & Banerjee, Cost Accountants were appointed as Cost Auditors of the Company by the Board at its meeting held on May 24, 2018, for the financial year 2018-2019, as recommended by the Audit Committee.

Mr. Rakesh Singh, Partner of 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 Mr. Rakesh Singh, partner of Shome & Banerjee, thought fit to fix the remuneration of Rs. 1,00,000/- subject to the approval of the members.

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 interested in the resolution set out in the notice.

The Board of directors recommend the ordinary resolution for the approval of the members.

### Item No. 5: Appointment of Mr.Harjiv Singh (DIN-00507695) as an Independent Director for second term.

Mr.Harjiv Singh was appointed as an Independent Director of the Company on August 09, 2016 to hold office till March 31, 2019.

However, Mr.Harjiv Singh vacated the office w.e.f September 12, 2017 as he incurred disqualification under section 164(2) of the Companies Act, 2013. Mr.Harjiv Singh filed a Writ Petition before Hon'ble High Court of Delhi, which was disposed of in his favour on March 22, 2018 directing the stay on operation of list of disqualified director, in so far as the inclusion of his name.

During his tenure from August 09, 2016 till September 12, 2017, Mr.Harjiv Singh attended 5 out of 9 board meetings and exercised his judgment prudently without any conflict of interest. The contributions made by Mr.Harjiv Singh were towards the interest of the company.

Mr.Harjiv Singh holds a Masters in International Affairs in Economic Policy Management from Columbia University's School of International and Public Affairs and has done MBA in Marketing and Bachelors in Finance from the New York Institute of Technology. Mr.Harjiv Singh is the co-founder and co-CEO of Gutenberg Communications.

Considering vast and rich experience of Mr.Harjiv Singh and on the recommendation of Nomination and Remuneration Committee, the Board of Directors found it justified to reappoint Mr.Harjiv Singh as an Independent Director (Additional) of the Company, for a second term of 5 years i.e. from May 24, 2018 to May 23, 2023, not liable to retire by rotation and approved the same in their meeting held on May 24, 2018.

Company has received a declaration from Mr. Harjiv Singh to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is not debarred from holding the office pursuant to any SEBI order.

Further details of Mr.Harjiv Singh as required to be given pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards are already provided in this Notice.

In the opinion of the Board, Mr.Harjiv Singh fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as Independent Director and he is independent of the management of the Company. Mr. Harjiv Singh is now not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Mr. Harjiv Singh is interested in the resolution mentioned at Item No. 5 of the Notice. None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board of directors recommends the special resolution for the approval of the members.

**Item No.6: Payment of Commission to Directors other than the Managing Director/ Whole-Time Director.**

In the Annual General Meeting held on July 19, 2013, members had approved payment of commission not exceeding 1% of the net profits of the company computed in accordance with the provisions of the Companies Act, 1956 to its Directors (other than the Managing Director / Whole-Time Directors) to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time, for a period of five (5) years commencing from April 1, 2013.

As recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, it is proposed to seek approval of the members for payment of commission to Non-Executive Directors (including Independent Directors) for each financial year commencing from April 1, 2018, which would not exceed one percent of the net profits of the company computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

Payment of commission shall be in addition to fees payable to the Directors for attending the meetings of the Board and Committees thereof as decided by the Board and reimbursement of expenses for participation in the Board and other meeting and for rendering services which are of professional nature.

Except Non-Executive Directors (including Independent Directors) none of the directors and/or key managerial personnel of the company and their relatives, is interested in the aforesaid resolution.

Board recommends the ordinary resolution set out in the notice for the approval of the members.

**Item No-7: Re-classification of certain Promoters and Promoter Group category shareholders to Public category shareholders pursuant to Regulation 31A(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Company has been filing Shareholding Pattern with Bombay Stock Exchange (BSE) pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in which total of 12 members were appearing on March 31, 2018 in the Promoter and Promoter Group Category of Company.

Certain entities of the aforesaid Promoter and Promoter Group category, as stated hereunder, have tendered their application to Company to reclassify them from “Promoter and Promoter Group Category” to “Public Category” as they are neither involved in the decision making process of Company nor having any direct or indirect control on its affairs:

Sl. No.	Name of Promoters	No. of Equity Shares of Rs.2/- each	% of total equity share capital
1	Pankaj Dilip Private Limited	3,30,500	1.26
2	Khemka & Co. Agencies Pvt. Ltd.	27,688	0.11
3	Khemka Instruments Private Limited	5,000	0.02
4	Khemka Technical Services Private Limited	2,500	0.01
	<b>Total</b>	<b>3,65,688</b>	<b>1.40</b>

Board of Directors of the Company in their meeting held on May 24, 2018 has considered the request of the outgoing entities subject to the approval of the members, as none of the outgoing entities:

- holds more than 10% of the total share capital of the Company (either individually or in concert);
- holds any key managerial position in the Company;
- have any representations on the Board of Directors in the Company;
- is engaged in any management or day to day affairs of the Company;
- have any special right through formal or informal arrangements with the Company

The Board of Directors has accorded their approval to the said re-classification, subject to the approval of the members of the Company and relevant regulatory authorities.

Post re-classification the remaining members of the existing “Promoter and Promoter Group Category” of the Company will be as follows:

Sl. No.	Name of Promoters	No. of shares held	% of total equity share capital
1	Nand Lal Khemka	18,505	0.07
2	Jeet Nabha Khemka	87,65,005	33.39
3	Khemka Aviation Pvt Ltd	62,72,325	23.89
4	Uday Harsh Khemka	12,50,750	4.76
5	Urvashi Rajya Laxmi Rana Khemka	12,50,750	4.76
6	Unipatch Rubber Limited	11,87,415	4.52
7	Sun London Limited	3,76,000	1.43
8	Sun Securities Limited	1,37,000	0.52
	<b>Total</b>	<b>1,92,57,750</b>	<b>73.36</b>

Further, as per Rule 19A of the Securities Contract (Regulation) Rules, 1957, the public shareholding as on date of this notice already fulfills the minimum public shareholding requirement of atleast 25% of the total share capital.

Except Mr.Nand Khemka, Mr.Shiv Khemka and Mr.Uday Khemka being the relatives of the Directors/ Shareholders of outgoing entities, none of the directors and/ or key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out in the notice.

Board of Directors recommends the special resolution for the approval of members.

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

Date : May 24, 2018  
Place: New Delhi

**Manali D Bijlani**  
Company Secretary  
F4704

## NOTICE TO SHAREHOLDERS/INVESTORS FOR UNPAID DIVIDENDS

1. The Shareholders / Investors of Indag Rubber Limited are notified that in pursuance of the section 124 of the Companies Act, 2013 (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 of transfer to the company's Unpaid Dividend Account, to the Investor Education and Protection Fund (IEPF) established under Section 125 of the Companies Act, 2013.

Further, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more shall also be transferred to the demat account of IEPF as notified by Ministry of Corporate Affairs.

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 date of transfer of Final Dividend / Interim Dividend to Unpaid Dividend Account. 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
2010-11	Final	September 15, 2018
2011-12	Interim	November 16, 2018
2011-12	Final	August 20, 2019
2012-13	Interim	November 14, 2019
2012-13	Final	August 25, 2020
2013-14	Interim	December 04, 2020
2013-14	Final	August 31, 2021
2014-15	Interim	November 03, 2021
2014-15	Final	September 20, 2022
2015-16	Interim	December 10, 2022
2015-16	Final	July 02, 2023
2016-17	Interim	November 30, 2023
2016-17	Final	July 25, 2024
2017-18	Interim	December 17, 2024

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](mailto: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 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. It may also be noted that the company has transferred unclaimed dividend and equity shares (only those shares whose dividend was unclaimed since last 7 consecutive years) to IEPF account of MCA for the previous financial years, the details of which are available on our website [www.indagrubber.com](http://www.indagrubber.com).
6. Shareholders whose shares and unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)).

## 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

### BOARD'S REPORT

**To**  
**The Members,**

Your Directors are pleased to present the 39th Annual Report of the Company together with the standalone and consolidated Audited Statements of Accounts for the year ended March 31, 2018.

#### FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2017-18 (Rs. / lakhs)	2016-17 (Rs. / lakhs)	2017-18 (Rs. / lakhs)	2016-17 (Rs. / lakhs)
Sales and other Income (net of excise duty)	17103.19	18978.32	17524.89	19123.17
Profit before Finance Cost & Depreciation	2489.47	3514.56	2747.65	3592.69
Finance Cost	20.52	30.75	197.73	77.46
Profit before Depreciation	2468.95	3483.81	2549.92	3515.23
Depreciation	305.70	296.30	380.30	316.95
Profit before tax	2163.25	3187.51	2169.62	3198.28
Profit after tax (before minority)	1575.96	2187.32	1580.39	2193.39
Profit after tax (after minority)	1575.96	2187.32	1576.69	2187.29
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 had net revenue of Rs. 171.03 crores as against Rs. 189.78 crores in the previous year. The Profit before finance cost and depreciation amounted to Rs. 24.89 crores as against Rs. 35.14 crores in the previous year.

Profit before tax during the year worked out to Rs.21.63 crores as compared to Rs. 31.87 crores in the previous year.

#### DIVIDEND

During the year the Board of Directors had declared an Interim Dividend of Rs. 0.90 per equity share of face value of Rs. 2/- each (45%) on November 10, 2017 which has been paid to the members on November 29, 2017.

The Directors are pleased to recommend a final dividend of Rs. 1.50/- per equity share of face value of Rs. 2/- each (75%) for the financial year 2017-2018, thus making a total dividend of Rs.2.40/-per equity share of Rs. 2/- each (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 close of business hours on August 14, 2018 if shares are held in physical form; in respect of shares held in dematerialized form it will be paid to those members whose names are furnished by NSDL and CDSL, as beneficial owners as on August 07, 2018.

#### INVESTOR EDUCATION AND PROTECTION FUND

Dividend which was declared by the company for the year ended March 31, 2011 at the Annual General Meeting held on August 09, 2011 and remained unclaimed will be transferred to the Investor Education and Protection Fund (IEPF) of the

Central Government on September 15, 2018 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on dividend for the year ended March, 2011 from the shareholders. Notice for unpaid dividend is attached with this annual report.

Details of unclaimed dividend and equity shares in respect of which dividend remained unpaid for a period of 7 consecutive years were transferred to Investor Education and Protection Fund as under-

Year	Type	Amount transferred to IEPF	Date on which dividend transferred to IEPF	Number of shares transferred to IEPF	Date on which shares transferred to IEPF
2007-08	Final	192,820/-	22.08.2015	-	-
2008-09	Final	1,91,546/-	12.08.2016	1,87,430	04.12.2017
2009-10	Interim	1,15,182/-	30.11.2016	9,010	04.12.2017
2009-10	Final	2,24,825/-	29.09.2017	5,750	04.12.2017
2010-11	Interim	1,19,556/-	29.12.2017	3,998	04.01.2018

All future benefits on such shares would also be transferred to IEPF.

### TRANSFER TO RESERVES

There was no transfer to General Reserves during the financial year 2017-2018.

The appropriations for the year are:-

(Rs. / lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Reserve at the beginning of the year	1,118.80	1,118.80
Transfer to General Reserve	-	-
Reserve at the end of the year	1,118.80	1,118.80
Balance of Profit & Loss account at the year end	16,062.07	15,244.37
Other comprehensive income at the year end	339.48	265.11

### MATERIAL CHANGES AFFECTING 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.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to MCA notification, Mr. Harjiv Singh incurred disqualification under section 164(2) of Companies Act, 2013 and automatically vacated the office of Independent Director on September 12, 2017. Against this, a Writ Petition was filed by him before Hon'ble High Court of Delhi, which was disposed of in his favour on March 22, 2018.

On the recommendation of Nomination and Remuneration Committee, Board appointed Mr. Harjiv Singh as an Additional and Independent Director of the Company for a second term of five (5) consecutive years from May 24, 2018 till May 23, 2023.

As per the provisions of the Companies Act, 2013, Mr. Shiv Khemka will retire by rotation at the ensuing AGM and being eligible offered himself for re-appointment.

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

## INDEPENDENT DIRECTORS' DECLARATION

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.

## NOMINATION AND REMUNERATION POLICY

The Remuneration Policy applies to directors and senior management personnel. The policy is approved by the Nomination and Remuneration Committee and the Board.

The policy is available on the company's website and web link for the same is <http://indagrubber.in/indag/wp-content/uploads/NRC-policy.pdf>. The policy is designed to attract, motivate and retain manpower by creating congenial work environment and inculcating a sense of belonging, besides offering appropriate remuneration package and superannuation benefits. The appointment and remuneration of Executive Directors is based on merit and seniority of person. Non-Executive Directors are paid sitting fee and commission in accordance with the Companies Act, 2013.

## STAKEHOLDER RELATIONSHIP COMMITTEE

Stakeholder Relationship Committee comprises of Mr. R. Parameswar as Chairman and Mr. Nand Khemka and Mr. K.K. Kapur as members. The details of terms of reference of the Committee, its composition, dates of meetings held and attendance of the Directors are given separately in the Corporate Governance Report.

## AUDIT COMMITTEE

Audit Committee comprises of Mr. R. Parameswar as Chairman and Mr. Nand Khemka, Mr. P.R. Khanna as members. The details of terms of reference of the Audit Committee, its composition, dates of meetings held and attendance of the Directors are given separately in the Corporate Governance Report.

## VIGIL MECHANISM

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.

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. Code of Conduct is available on the company's website [www.indagrubber.com](http://www.indagrubber.com).

## DISCLOSURE UNDER 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 therewith or incidental thereto covering all the aspects as contained under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".



During the financial year 2017-18, 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 Mr. Nand Khemka as the Chairman and Mr.P.R.Khanna and Mr.K.K.Kapur as the members.

During the year, we continued CSR activities towards improving the quality of life interalia, of the community in and around Nalagarh through health and sanitation, education and vocational skill based training program. Details about CSR policy and initiatives taken by the Company during the year are available on company's website [www.indagrubber.com](http://www.indagrubber.com).

The web-link of the same is [http://indagrubber.in/indag/wp-content/uploads/2015/06/CSR\\_Policy.pdf](http://indagrubber.in/indag/wp-content/uploads/2015/06/CSR_Policy.pdf)

Report on CSR activities is given in **Annexure 'III'** forming part of this report.

### **AUDITORS**

Khanna & Annadhanam, Chartered Accountants, Statutory Auditors of the Company were appointed in the 38th Annual General Meeting held on June 19, 2017 to hold office until the conclusion of 43rd 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 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**

Board has on the recommendation of Audit Committee, approved the appointment of Shome & Banerjee, Cost Accountants, as the Cost Auditors of the company for the year 2018-2019 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.

Cost Audit Report for the financial year ended March 31, 2017 was filed on August 30, 2017.

### **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, none of the Auditors have reported to the Audit Committee, or to the Board, under section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

### **LOANS, GUARANTEES OR INVESTMENTS**

The company has made investments in securities of other body corporate(s) and given guarantees in the ordinary course of its business, the details of which are given in Note '11' 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 shareholding of the company in SUN-AMP Solar India Pvt. Ltd has come down to 51% as on March 31, 2018 against

75.84% holding earlier, due to conversion of compulsorily convertible debentures into equity shares by SUN-AMP Solar India (P) Ltd.

As on March 31, 2018 SUN-AMP Solar India (P) Ltd. holds 81.79% equity shares in Samyama Jyothi Solar Energy (P) Ltd. (step-down subsidiary). On May 4, 2018 Samyama Jyothi Solar Energy (P) Ltd. became wholly-owned subsidiary of SUN-AMP Solar India (P) Ltd.

A statement containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 is attached as **Annexure 'V'** to this report.

The company has framed a Policy for determining Material Subsidiary.

## RELATED PARTY TRANSACTIONS

All related party transactions entered by the company during the financial year were in the ordinary course of business and at arm's length basis, which were not material in nature. All related party transactions were entered with the omnibus/prior approval of the Audit Committee and periodically placed before the Board for review. The details of the transactions with related party are provided in the company's financial statements in accordance with the Accounting Standards.

The company has a policy on materiality of and dealing with Related Party Transactions, as approved by the Board, which is available at its website [www.indagrubber.com](http://www.indagrubber.com)

## 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 'VI'**.

## 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 'VII'**, 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, 2018, 98.66% 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 'VIII'** and the Certificate from RMG & Associates, Practicing Company Secretaries confirming compliance with the requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure 'IX'**.

## COMPLIANCE WITH SECRETARIAL STANDARD

Secretarial Standard 1: Meetings of the Board of Directors and Secretarial Standard 2: General Meetings, as applicable have been complied by the company.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as **Annexure 'X'** to this Report.

## ANNEXURES FORMING A PART OF BOARD'S REPORT

The Annexure 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 Requirements) 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	Form AOC-1
VI	MGT-9
VII	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
VIII	Corporate Governance Report
IX	Certificate from Practicing Company Secretary on Corporate Governance Report
X	Management Discussion and Analysis 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 2017-18 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;
- 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**

Date : May 24, 2018  
Place : New Delhi

**Nand Khemka**  
Chairman & Managing Director  
DIN: 00211084

## ANNEXURE-I

### **Annual Compliance with the Code of Conduct for the Financial Year 2017-2018**

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2018 from all the Board Members and Senior Management Personnel.

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

Date : May 24, 2018  
Place : New Delhi

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

### Particulars of Employees

#### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) 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 style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">:</td> <td style="width: 65%;">Mr. Nand Khemka</td> <td style="width: 5%;">-</td> <td style="width: 10%;">922 : 22</td> <td style="width: 15%;">(4190%)</td> </tr> <tr> <td></td> <td>Mr. K K Kapur</td> <td>-</td> <td>922 : 22</td> <td>(4190%)</td> </tr> <tr> <td></td> <td>Mr. P R Khanna</td> <td>-</td> <td>67 : 22</td> <td>(305%)</td> </tr> <tr> <td></td> <td>Mr. R. Parameswar</td> <td>-</td> <td>67 : 22</td> <td>(305%)</td> </tr> <tr> <td></td> <td>Ms. Bindu Saxena</td> <td>-</td> <td>38 : 22</td> <td>(173%)</td> </tr> <tr> <td></td> <td>Mr. Harjiv Singh</td> <td>-</td> <td>13 : 22</td> <td>(59%)</td> </tr> <tr> <td></td> <td>Mr. Shiv Khemka</td> <td>-</td> <td>0 : 22</td> <td>(0%)</td> </tr> <tr> <td></td> <td>Mr. Uday Khemka</td> <td>-</td> <td>0 : 22</td> <td>(0%)</td> </tr> </table>	:	Mr. Nand Khemka	-	922 : 22	(4190%)		Mr. K K Kapur	-	922 : 22	(4190%)		Mr. P R Khanna	-	67 : 22	(305%)		Mr. R. Parameswar	-	67 : 22	(305%)		Ms. Bindu Saxena	-	38 : 22	(173%)		Mr. Harjiv Singh	-	13 : 22	(59%)		Mr. Shiv Khemka	-	0 : 22	(0%)		Mr. Uday Khemka	-	0 : 22	(0%)																				
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	Mr. Shiv Khemka	-	0 : 22	(0%)																																																									
	Mr. Uday Khemka	-	0 : 22	(0%)																																																									
(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 style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="5"><b>Directors</b></td> </tr> <tr> <td style="width: 5%;">:</td> <td style="width: 65%;">Mr. Nand Khemka</td> <td style="width: 5%;">-</td> <td style="width: 10%;">(30.72%)</td> <td style="width: 15%;"></td> </tr> <tr> <td></td> <td>Mr. K K Kapur</td> <td>-</td> <td>(30.72%)</td> <td></td> </tr> <tr> <td></td> <td>Mr. P R Khanna</td> <td>-</td> <td>(8.57%)</td> <td></td> </tr> <tr> <td></td> <td>Mr. R. Parameswar</td> <td>-</td> <td>(8.57%)</td> <td></td> </tr> <tr> <td></td> <td>Ms. Bindu Saxena</td> <td>-</td> <td>1.81%</td> <td></td> </tr> <tr> <td></td> <td>Mr. Uday Harsh Khemka</td> <td>-</td> <td>(100%)</td> <td></td> </tr> <tr> <td></td> <td>Mr. Shiv Vikram Khemka</td> <td>-</td> <td>(100%)</td> <td></td> </tr> <tr> <td></td> <td>Mr. Harjiv Singh</td> <td>-</td> <td>(66.06)</td> <td></td> </tr> <tr> <td colspan="5"><b>Key Managerial Personnel</b></td> </tr> <tr> <td></td> <td>Mr. J.K Jain(CFO)</td> <td>-</td> <td>(46.32%)</td> <td></td> </tr> <tr> <td></td> <td>Mrs. Manali D Bijlani(CS)</td> <td>-</td> <td>(0.95%)</td> <td></td> </tr> </table>	<b>Directors</b>					:	Mr. Nand Khemka	-	(30.72%)			Mr. K K Kapur	-	(30.72%)			Mr. P R Khanna	-	(8.57%)			Mr. R. Parameswar	-	(8.57%)			Ms. Bindu Saxena	-	1.81%			Mr. Uday Harsh Khemka	-	(100%)			Mr. Shiv Vikram Khemka	-	(100%)			Mr. Harjiv Singh	-	(66.06)		<b>Key Managerial Personnel</b>						Mr. J.K Jain(CFO)	-	(46.32%)			Mrs. Manali D Bijlani(CS)	-	(0.95%)	
<b>Directors</b>																																																													
:	Mr. Nand Khemka	-	(30.72%)																																																										
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	Mrs. Manali D Bijlani(CS)	-	(0.95%)																																																										
(iii) the percentage increase in the median remuneration of employees in the financial year;	: 6.69%																																																												
(iv) the number of permanent employees on the rolls of company;	: 318 employees as on 31.03.2018																																																												
(v) average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase/decrease in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	: Average Salary decrease of non-managerial employees is 5.46% Average Salary decrease of managerial employees is 30.72%																																																												
(vi) affirmation that the remuneration is as per the remuneration policy of the company.	: Remuneration paid during the year ended March 31, 2018 is as per the Remuneration Policy of the Company																																																												

**INFORMATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**



**LIST OF TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR**

Sl. No.	Name	Designation	% of equity shares	Relationship with other Directors	Nature of Employment, whether contractual or otherwise	Gross Remuneration received (Rs.)	Qualifications	Date of Commencement of Employment	Exp.	Age (in years)	Last Employment	
<b>A. Top ten employees in terms of remuneration drawn during the year, including those employed throughout the year and in respect of remuneration aggregating not less than Rs.1,02,00,000/- for the year ended March 31, 2018.</b>												
1	Mr.Nand Khemka	Chairman cum Managing Director	0.07	Relative of Mr.Shiv Khemka and Mr.Uday Khemka	Business Head (Contractual)	1,10,63,000	MS in Foreign trade and masters Degree in Business Administration from Columbia Unoversity, New York, USA	02.06.1978	Over 50 years	83	Promoter and Chairman of Indag Rubber Limited since incorporation	
2	Mr.K.K. Kapur	CEO & Whole Time Director	Nil	Nil	Business Head (Contractual)	1,10,63,000	Masters in Mathematics, CMA	09.04.2001	Over 50 years	81	Enron India Pvt. Ltd.	
3	Mr.Bijendra Kashyap	Sr.General Manager (Plant)	Nil	Nil	Regular	36,55,891	B.Sc.	01.12.2010	42 years	65	ATC Tyre Ltd.	
4	Mr.Ashok Aggarwal	Vice President (Marketing)	0.0009	Nil	Regular	31,91,739	B.Sc.	10.06.1983	38 years	69	J.K. Tyre Industries Ltd.	
5	Mr.J.K. Jain	Chief Financial Officer	0.00003	Nil	Regular	30,10,624	B Com , CA	01.07.2006	42 years	73	GAIL (India) Ltd.	
6	Mr.Krishan Kumar Awasthi	Sr.Deputy General Manager (Plant)	Nil	Nil	Regular	27,36,812	M.Sc Chemistry, LIRI	03.03.2015	43 years	61	Continental India Ltd.	
7	Mr.Arvind Dwivedi	General Manager (Sales & Marketing)	Nil	Nil	Regular	24,94,015	Dip in Elect, B.Sc, MBA	17.05.2010	27 years	51	J.K. Tyre Industries Ltd.	
8	Mr.Anil Kumar Bhardwaj	General Manager (F&A)	0.00003	Nil	Regular	23,01,815	B.Com., CMA	01.07.2010	27 years	49	Berger Paints Ltd.	
9	Ms.Manali D. Bijlani	Company Secretary	Nil	Nil	Regular	19,76,828	B.Sc (MICRO BIOLOGY- HONS),, F.C.S.,LL.B.	08.03.2004	21 years	46	Rajdoot Paints Ltd.	
10	Mr.Deepak Mehta	Deputy General Manager	Nil	Nil	Regular	17,19,269	B.Tech	01.02.1981	50 years	68	Indian Army	
11	Mr.Rajesh Malik	Sr.Deputy General Manager (Marketing)	0.0009	Nil	Regular	15,28,886	M.A, Dip. (Mech.Engg), Dip.-Mktg.	31.05.2007	39 years	58	NSC Polymers (P) Ltd.	
12	Mr.Y. Veeranjanyulu	Zonal Manager (Marketing)	Nil	Nil	Regular	14,63,588	B. Com	30.09.2008	49 years	69	GAIL (India) Ltd.	
<b>B. Employed for part of the year and in receipt of remuneration aggregating not less than Rs.8,50,000/- per month</b>												
	Nil											

**Report on CSR activities to be included in the Board's Report**

<p>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>	<p><b>BRIEF FEATURES OF CSR POLICY</b></p> <ol style="list-style-type: none"> <li>Company would spend not less than 2% of the average net profit of the company, calculated in accordance with Section 198 of the Companies Act, 2013, made during the three immediately preceding financial year.</li> <li>CSR activities shall be undertaken by the company as prescribed under Schedule VII of the Companies Act, 2013.</li> <li>Company will give preference to conduct CSR activities in Nalagarh (Himachal Pradesh) and National Capital Region and such other State(s) in India wherein the company has its operation; and</li> <li>Board may decide to undertake the activities either by itself or through a registered trust or a registered society or a company established by the company, or its holding or subsidiary or associate company under Section 8 of the Act or otherwise.</li> </ol> <p>Company has been carrying out CSR activities mainly in the field of promoting education, rural area development, empowerment of weaker section, environment sustainability, sanitation, healthcare, vocational skills and livelihood enhancement etc. The Board adopted the CSR policy, which is uploaded at Company website, the web link for the same is <a href="http://indagrubber.in/indag/wp-content/uploads/2015/06/CSR_Policy.pdf">http://indagrubber.in/indag/wp-content/uploads/2015/06/CSR_Policy.pdf</a></p> <p>Details of the CSR activities undertaken at Indag can be accessed at <a href="http://indagrubber.in/wp-content/uploads/CSR-activities-carried-during-year-the-2017-18.pdf">http://indagrubber.in/wp-content/uploads/CSR-activities-carried-during-year-the-2017-18.pdf</a>.</p>
<p>2 Composition of the CSR Committee</p>	<ol style="list-style-type: none"> <li>Mr. Nand Khemka (Executive/ Interested -Chairman)</li> <li>Mr. P.R.Khanna (Independent)</li> <li>Mr. K.K.Kapur (Executive/ Interested)</li> </ol>
<p>3 Average net profits of the company for last three financial years</p>	<p>Rs. 3860.85 Lacs</p>
<p>4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)</p>	<p>Rs. 77.22 lacs</p>
<p>5 Amount unspent brought forward from the Financial Year 2016-2017</p>	<p>Rs. 50.63 lacs</p>
<p>6 Total CSR budget for Financial Year 2017-2018</p>	<p>Rs. 127.85 lacs</p>
<p>7 Details of CSR spent during the financial year:</p> <ol style="list-style-type: none"> <li>Total amount spent for the Financial Year</li> <li>Amount unspent, if any</li> <li>Manner in which the amount spent during the financial year</li> </ol>	<p>Rs. 89.82 lacs</p> <p>Rs. 38.03 lacs</p> <p>The manner in which the amount spent is detailed in the Annexure.</p>

**Manner in which the amount spent during the financial year 2017-18:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Sanitation and Health awareness programmes	Healthcare	Nalagarh (HP)	Budget of Rs. 15.00 lacs for CSR projects (1), (2) & (3)	Amount spent to curtail practice of open defecation, integrating dairy farming with horticulture, vermi culture and application of scientific agriculture practices with water conservation.	Grant of Rs. 10.00 lacs spent on CSR projects (1), (2) & (3)	Through Youthreach
2.	Capacity building for farmers	Vocational skill/ livelihood enhancement					
3.	Promoting Dairy farming, Vermi culture and Mushroom farming	Vocational skill/ livelihood enhancement					
4.	Support to primary schools	Education	Nabha (Punjab)	Rs.66.64 lacs	Amount spent for supporting 5 Navi Disha Schools and Girls Primary School	Donation of Rs. 66.64 lacs	Through Nabha Foundation
5.	Nalagarh Education Project	Education	Nalagarh (HP)	Rs.11.25 lacs	Amount spent for imparting coaching facility for competitive exams to students of Govt. schools	Rs.8.00 lacs	Direct(Incurred through SDM & Education Committee, Nalagarh)
6.	Afforestation	Environmental sustainability	Nalagarh (HP)	Rs.1.00 lacs	Plantation of trees on Govt. land	Rs.1.10 lacs	Direct (Through DFO Nalagarh)
7.	Promote rural sports	Rural development	Nalagarh (HP)	Rs.1.00 lacs	Sports ground developed to enhance rural sports	Rs.0.95 lacs	Direct
8.	Reducing inequalities among socially and economically backward groups	Promoting equality/ empowerment	Nalagarh (HP)	Rs. 2.50 lacs	Orphan children pension distribution program for upliftment of economically backward groups alongwith cash prize distribution to students of Govt. school.	Rs. 1.95 lacs	Direct
9.	Promoting education	Education	Nalagarh (HP)	Rs.0.30 lacs	Capacity building for Govt. school at Rehru	Rs.0.21 lacs	Direct
10.	Contribution to Chief Minister Relief Fund	Relief Fund	Nalagarh (HP)	Rs.1.00 lacs	Disaster relief fund	Rs.0.97 lacs	Direct
			<b>Total</b>	<b>Rs.98.69 lacs</b>		<b>Rs.89.82 lacs</b>	



- a) Reason for not spending the 2% of the average net profit of the last three financial years-  
Against amount of Rs.77.22 lacs, being 2% of average net profit of last three financial years, the company has spent Rs.89.82 lacs and partly utilized carried forward unspent amount from previous years.  
Company has initiated long term CSR activities for the welfare of community members at Nalagarh and Nabha, which would be continued during the financial year 2018-19.
- b) CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the company.

<p><b>K K Kapur</b> Chief Executive Officer</p>	<p><b>Nand Khemka</b> Chairman - CSR Committee</p>
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**FORM NO. MR - 3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[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]

**The Members**

**Indag Rubber Limited**

**CIN: L74899DL1978PLC009038**

**11, Community Centre, Saket New Delhi- 110017**

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 **March 31, 2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018 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;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) 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;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable as the Company has not issued any further share capital during the period under review**];
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [**Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review**];
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [**Not applicable as the Company has not issued and listed any debt securities during the Financial Year under review**];
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not applicable**]

**as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the Financial Year under review];**

- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the Financial Year under review]**.

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 Environmental Laws, Labour Laws & other General Laws vis-à-vis The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, 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 Environmental Laws, Labour Laws & other General Laws.

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

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India. However, the stricter applicability of the Secretarial Standards is to be observed by the Company.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the observations elsewhere given in this report. The Company has constituted the Corporate Social Responsibility Committee in accordance to Section 135(1) of the Act. The Company has further proposed to carry forward the unspent amount, out of the total budget as allocated for CSR activities for the Financial Year 2017-2018, to the coming Financial Years.

**We further report that**

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director except that during the period under review, office of one of the Independent Director was vacated due to appearing of his name in the list of disqualified Directors issued by the Registrar of the Companies on September 12, 2017 under the provisions of Section 167(1)(a) read with Section 164(2) of the Act. Further, the Company had also made due compliance in this regard. However it was informed by the management of the Company that the Independent Director filed a Writ Petition before the Hon'ble High Court of Delhi, which was disposed of vide order dated March 22, 2018 directing the stay on operations of List of disqualified Director in so far as the inclusion of name of the Independent Director was concerned and now, it has been decided to appoint the Independent Director on the Board of the Company in the forthcoming Board Meeting subject to the approval of shareholders in the ensuing General Meeting.

Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days 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.

As per the minutes of the meetings of the Board and Committees of the Board is signed by the Chairman, all the decisions of the Board were adequately passed and dissent on any subject matter was not observed in the minutes.

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 and other authorities and all the formalities relating to the same is in compliance with the Act.

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

**We further report that** during the audit period the Board of Directors of the Company in its Meeting held on November 10, 2017 declared an interim dividend of Rs. 0.90/- per equity share of Rs. 2/- each for the Financial Year 2017-2018 and November 24, 2017 was fixed record date for this purpose.

**For RMG & Associates**  
Company Secretaries

Date : May 24, 2018  
Place : New Delhi

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

**Note:** This report is to be read with 'Annexure 1' attached herewith and forms an integral part of this report.

### **Annexure - I**

The Members

#### **Indag Rubber Limited**

1. Maintenance of secretarial records 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 Account 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

Date : May 24, 2018  
Place : New Delhi

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

**Form AOC-1**

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

**Statement containing salient features of the financial statements of subsidiaries/ associates companies/ joint ventures**
**Part "A"- Subsidiaries**
**(In Rupees)**

Sl. No.	Particulars	Details	
		1	2
1.	Sl.No.	1	2
2.	Name of the subsidiary	SUN-AMP Solar India (P) Limited (subsidiary of the Company)	Samyama Jyothi Solar Energy Private Limited (Subsidiary of SUN-AMP Solar India (P) Ltd)
3.	The date since when subsidiary was acquired	October 13, 2016	October 13, 2016
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
6.	Share Capital	73,300,000	55,611,130
7.	Reserves and surplus	(15,418,098)	3,623,857
8.	Total assets	62,388,795	192,725,880
9.	Total liabilities	4,506,893	133,490,893
10.	Investments	46,323,000	-
11.	Turnover	-	41,749,725
12.	Profit (loss) before taxation	(462,886)	833,283
13.	Provision for taxation	-	193,949
14.	Profit (loss) after taxation	(462,886)	639,334
15.	Proposed dividend	-	-
16.	% of shareholding	51%	81.79% equity shares are held by SUN-AMP Solar India (P) Ltd.

The audited financial statements of the above subsidiaries have been drawn up to the same reporting date as that of the company i.e. March 31, 2018.

- Names of subsidiaries which are yet to commence operations- Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

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

There are no Associates and Joint Ventures. Hence, it is not applicable.

As per our report of even date

**For and on behalf of the Board of Directors**

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer

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

**As on the financial year ended on March 31, 2018**

[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>
ii)	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 Phone. 011-26963172/73 Email: <a href="mailto:info@indagrubber.com">info@indagrubber.com</a> Website: <a href="http://www.indagrubber.com">www.indagrubber.com</a></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: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a></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	84.64%

**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	SUN-AMP Solar India (P) Ltd.	U74140DL2015PTC279028	Subsidiary	51%	Section 2(87)

**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 (April 1, 2017)				No. of Equity Shares of Rs.2/- each held at the end of the year (March 31, 2018)				% 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.	7825428	-	7825428	29.81	7825428	-	7825428	29.81	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>19110438</b>	<b>-</b>	<b>19110438</b>	<b>72.80</b>	<b>19110438</b>	<b>-</b>	<b>19110438</b>	<b>72.80</b>	<b>-</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>19623438</b>	<b>-</b>	<b>19623438</b>	<b>74.76</b>	<b>19623438</b>	<b>-</b>	<b>19623438</b>	<b>74.76</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	2250	2250	0.01	-	-	-	-	(0.01)
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	58355	-	58355	0.22	101334	-	101334	0.39	0.17
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>58355</b>	<b>2250</b>	<b>60605</b>	<b>0.23</b>	<b>101334</b>	<b>0</b>	<b>101334</b>	<b>0.39</b>	<b>0.16</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	832631	17250	849881	3.24	522954	17250	540204	2.06	(1.18)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3225105	406075	3631180	13.83	2806976	333245	3140221	11.96	(1.87)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1268434	-	1268434	4.83	1747549	-	1747549	6.66	1.83
c) NBFCs Registered with RBI	320000	-	320000	1.22	326400	-	326400	1.24	0.02
d) Others (specify)									
- N.R.I.(REPT & NON-REPT)	282521	1500	284021	1.08	246626	750	247376	0.94	(0.14)

- Hindu Undivided Family	201448	-	201448	0.77	201838	250	202088	0.77	0.00
- Clearing Members	10993	-	10993	0.04	115202	-	115202	0.44	0.40
- Investor Education and Protection Fund Authority Ministry of Corporate Affairs	-	-	-	-	206188	-	206188	0.79	0.79
<b>Sub-total (B)(2)</b>	<b>6141132</b>	<b>424825</b>	<b>6565957</b>	<b>25.01</b>	<b>6173733</b>	<b>351495</b>	<b>6525228</b>	<b>24.86</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>6199487</b>	<b>427075</b>	<b>6626562</b>	<b>25.24</b>	<b>6275067</b>	<b>351495</b>	<b>6626562</b>	<b>25.24</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>25822925</b>	<b>427075</b>	<b>26250000</b>	<b>100</b>	<b>25898505</b>	<b>351495</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			Shareholding 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	-
2	Khemka Aviation Pvt Ltd	6272325	23.89	Nil	6272325	23.89	Nil	-
3	Uday Harsh Khemka	1250750	4.76	Nil	1250750	4.76	Nil	-
4	Urvashi Rajya Laxmi Rana Khemka	1250750	4.76	Nil	1250750	4.76	Nil	-
5	Unipatch Rubber Limited	1187415	4.52	Nil	1187415	4.52	Nil	-
6	Sun London Limited	376000	1.43	Nil	376000	1.43	Nil	-
7	Pankaj Dilip Private Limited	330500	1.26	Nil	330500	1.26	Nil	-
8	Sun Securities Limited	137000	0.52	Nil	137000	0.52	Nil	-
9	Khemka and Co. Agencies Pvt Ltd	27688	0.11	Nil	27688	0.11	Nil	-
10	Nand Lal Khemka	18505	0.07	Nil	18505	0.07	Nil	-
11	Khemka Instruments Private Limited	5000	0.02	Nil	5000	0.02	Nil	-
12	Khemka Technical Services Pvt Ltd	2500	0.01	Nil	2500	0.01	Nil	-



**(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
1.	At the beginning of the year	19623438	74.76		
2.	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):			No change	No change
3.	<b>At the end of the year</b>			<b>19623438</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
i) Shivani Tejas Trivedi	At the beginning of the year	4,72,347	1.80	4,72,347	1.80
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			05.05.2017 Purchase of 4,658 shares	0.02
				12.05.2017 Purchase of 10,500 shares	0.04
				26.05.2017 Purchase of 19,947 shares	0.07
				09.06.2017 Purchase of 6,050 shares	0.02
				16.06.2017 Purchase of 8,684 shares	0.03
				28.07.2017 Purchase of 15,000 shares	0.05
				25.08.2017 Purchase of 19,340 shares	0.07
				01.09.2017 Purchase of 14,919 shares	0.05
				08.09.2017 Purchase of 13,156 shares	0.05
				15.09.2017 Purchase of 12,771 shares	0.05
				22.09.2017 Purchase of 12,210 shares	0.04
				29.09.2017 Purchase of 2,211 shares	0.008
				13.10.2017 Purchase of 28,731 shares	0.11

				20.10.2017 Purchase of 21,470 shares	0.08
				27.10.2017 Purchase of 1,151 shares	0.004
				17.11.2017 Purchase of 10,088 shares	0.04
	At the end of the year (or on the date of separation, if separated during the year)			<b>6,73,233</b>	<b>2.56</b>
<b>ii) Infina Finance Private Limited</b>	At the beginning of the year	3,20,000	1.22	3,20,000	1.22
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			No change	No change
	At the end of the year ( or on the date of separation, if separated during the year)			<b>3,20,000</b>	<b>1.22</b>
<b>iii) Priya Singh Aggarwal</b>	At the beginning of the year	2,49,000	0.95	2,49,000	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):			22.12.2017 Sale of 2,000 shares	(0.01)
				05.01.2018 Sale of 1,000 shares	(0.004)
				12.01.2018 Sale of 8,500 shares	(0.03)
	At the end of the year ( or on the date of separation, if separated during the year)			<b>2,37,500</b>	<b>0.90</b>
<b>iv) Tejas Bhalchandra Trivedi</b>	At the beginning of the year	2,25,800	0.86	2,25,800	0.86
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			15.09.2017 Purchase of 20,611 shares	0.09
				22.09.2017 Purchase of 5,965 shares	0.02
	At the end of the year ( or on the date of separation, if separated during the year)			<b>2,52,376</b>	<b>0.96</b>
<b>v) Seema Jain</b>	At the beginning of the year	2,07,887	0.79	2,07,887	0.79
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			24.11.2017 Sale of 2,07,887 shares	(0.79)
	At the end of the year ( or on the date of separation, if separated during the year)			<b>0</b>	<b>0</b>

<b>vi) Misbah Jan .</b>	At the beginning of the year	1,13,400	0.43	1,13,400	0.43
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			No change	No change
	At the end of the year ( or on the date of separation, if separated during the year)			<b>1,13,400</b>	<b>0.43</b>
<b>vii) Anshu Govil</b>	At the beginning of the year	75,000	0.28	75,000	0.28
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			No change	No change
	At the end of the year ( or on the date of separation, if separated during the year)			<b>75,000</b>	<b>0.28</b>
<b>viii) Sanjay Amilal Shah</b>	At the beginning of the year	74,000	0.28	74,000	0.28
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			12.05.2017 Purchase of 2,000 shares 19.05.2017 Purchase of 1,075 shares 26.05.2017 Purchase of 3,000 shares 09.06.2017 Purchase of 1,000 shares 07.07.2017 Purchase of 2,040 shares 21.07.2017 Purchase of 1,000 shares 28.07.2017 Purchase of 50 shares 13.10.2017 Sale of 20,000 Shares	0.01 0.003 0.01 0.003 0.01 0.003 0.0002 (0.07)
	At the end of the year ( or on the date of separation, if separated during the year)			<b>64,165</b>	<b>0.24</b>
<b>ix) Surender Kumar Jain</b>	At the beginning of the year	64,985	0.25	64,985	0.25
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			24.11.2017 Sale of 64,985 shares	(0.25)
	At the end of the year ( or on the date of separation, if separated during the year)			<b>0</b>	<b>0</b>

<b>x) Mukul Chadda</b>	At the beginning of the year	64,096	0.24	64,096	0.24
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			15.09.2017 Sale of 9,096 shares (0.03) 22.09.2017 Sale of 5,000 shares (0.02) 15.12.2017 Sale of 4,611 shares (0.02) 22.12.2017 Sale of 389 shares (0.001) 29.12.2017 Sale of 899 shares (0.003) 05.01.2018 Sale of 4,101 shares (0.02) 12.01.2018 Sale of 32,653 shares (0.12) 19.01.2018 Sale of 1,040 shares (0.003) 09.03.2018 Sale of 450 shares (0.001) 16.03.2018 Sale of 5,857 shares (0.02)	
	At the end of the year ( or on the date of separation, if separated during the year)			0	0

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date wise increase/ decrease in shareholding during the year	Cumulative Shareholding at the end of 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.	Nand Lal Khemka	18,505	0.07	No change	18,505	0.07
2.	Uday Harsh Khemka (joint holding with Mrs.Nitya Khemka)	12,50,750	4.76	No change	12,50,750	4.76
3.	Shiv Vikram Khemka (joint holding with Mrs.Urvashi Khemka)	12,50,750	4.76	No change	12,50,750	4.76
4.	J K Jain	10	0.00003	No change	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
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Indebtedness at the end 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
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## 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	84,00,000	1,80,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1,03,000	1,03,000
	(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	14,63,000	15,52,000	30,15,000
	- others, specify...	-	-	-
5	Others, please specify			
	- PF	-	10,08,000	10,08,000
	<b>Total (A)</b>	<b>1,10,63,000</b>	<b>1,10,63,000</b>	<b>2,21,26,000</b>
	<b>Ceiling as per the Act</b>	<b>1,10,63,000</b>	<b>1,10,63,000</b>	<b>2,21,26,000</b>

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
		P R Khanna	R Parameswar	Harjiv Singh	Bindu Saxena	
1	<b>Independent Directors</b>					
	• Fee for attending Board / Committee Meetings	5,90,000	7,70,000	1,00,000	3,90,000	18,50,000
	• Commission	8,06,500	8,06,500	1,50,000	4,50,000	22,13,000
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>					<b>40,63,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Shiv Khemka</b>	<b>Uday Khemka</b>			
	• Fee for attending Board / Committee Meetings	Nil	Nil			Nil
	• Commission	Nil	Nil			Nil
	• Others, please specify	Nil	Nil			Nil
	<b>Total (2)</b>					
	<b>Total (B)=(1+2)</b>					<b>40,63,000</b>
	<b>Total Managerial Remuneration</b>					<b>22,13,000</b>
<b>Overall Ceiling as per the Act</b>					<b>22,13,000</b>	

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
		J. K. Jain	Manali D. Bijlani	
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,68,877	17,43,982	45,12,859
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	97,394	1,29,794
	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...	-	-	-
5	Others-please specify			
	- PF	1,92,547	1,18,652	311,199
	- Incentive	-	-	-
	- Bonus	16,800	16,800	33,600
	<b>Total</b>	<b>30,10,624</b>	<b>19,76,828</b>	<b>49,87,452</b>

**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-**

- All fluorescent tubes and bulbs were changed to LED lights at plant.

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

- Solar power rooftop of 35 KV is being used at Nalagarh plant as an alternate source of energy.

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

During the current financial year, no capital expenditure has been incurred on energy conservation equipments.

**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. lakhs
1	Capital expenditure in R&D	8.51
2	Revenue expenditure in R&D	2.16
3	Expenditure on Salary with respect to R&D	1.78

**D. Foreign Exchange Earning and Outgo**

During the year the Company has exported retreading material of Rs. 956.70 lacs

**Total Foreign Exchange used and earned:**

Particulars	2017-18(Rs. / lakhs)	2016-17 (Rs. / lakhs)
Foreign Exchange earned	155.81	241.56
Foreign Exchange used	51.13	202.76



## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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

As on March 31, 2018, the Board comprised of seven directors, which include two executive directors and five non-executive directors. The Board is primarily responsible for the overall management of the Company's business.

Mr.Harjiv Singh (Non-Executive, Independent Director) was disqualified by MCA under section 164(2) of the Companies Act, 2013 and automatically vacated the office of Independent Director from the company on September 12, 2017.

The composition of the Board of Directors as on March 31, 2018 with their attendance at the Board Meetings held during the year 2017-18 and at the last Annual General Meeting is given below:

DIN	Name of the Directors	Categories of Directors	Number of Board Meetings during F.Y.(17-18)	Attendance at the last AGM held on 19.06.2017	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	Mr.Nand Khemka (Chairman cum Managing Director)	Executive Promoter (Interested)	3 of 4	Yes	1	2	Relative of Mr. Shiv Khemka and Mr. Uday Khemka	-
00048800	Mr.P.R. Khanna	Non-Executive (Independent)	3 of 4	Yes	4	7 (including 4 as Chairman)	Nil	Nil
01879913	Mr.R. Parameswar	Non-Executive (Independent)	4 of 4	Yes	Nil	2 (both as Chairman)	Nil	Nil
00167802	Ms.Bindu Saxena	Non-Executive (Independent)	3 of 4	No	1	1	Nil	Nil
00507695	Mr.Harjiv Singh***	Non-Executive (Independent)	1 of 2	No	1	Nil	Nil	Nil
00323609	Mr.Uday Khemka	Non-Executive (Interested)	3 of 4	No	Nil	Nil	Relative of Mr. Nand Khemka and Mr.Shiv Khemka	12,50,750 (Joint Holding with Mrs.Nitya Khemka)
01214671	Mr.Shiv Khemka	Non-Executive (Interested)	4 of 4	No	Nil	Nil	Relative of Mr. Nand Khemka and Mr.Uday Khemka	12,50,750 (joint holding with Mrs. Urvashi Khemka)

00745117	Mr. K. K. Kapur (Whole-time Director)	Executive (Interested)	4 of 4	Yes	Nil	1	Nil	-
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\* 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.

\*\*\* Mr.Harjiv Singh was disqualified by MCA, vide its notification dated September 12, 2017, under Section 164(2) of the Companies Act, 2013.

#### (b) Board Meetings

Four meetings of the Board of Directors were held during the year, viz. on May 05, 2017, August 14, 2017, November 10, 2017 and February 02, 2018.

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

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 02, 2018. All Independent Directors were present in the meeting.

#### (d) Familiarization Programmes imparted to Independent Directors

Independent Directors of the Board are familiarized through updates on nature of industry in which the company operates, company's performance and future outlook related to business, operations, expansion, strategy, budgets, financial statements, besides relevant regulatory updates. The web link of the Familiarization Programmes imparted to Independent Directors is <http://indagrubber.in/wp-content/uploads/Familiarisation-Programme-2017-18.pdf>

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

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.

The evaluation process for the financial year 2017-18 has been completed.

### III. Audit Committee

#### (a) Brief description of terms of reference

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 Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

Audit Committee invites CEO & Whole Time Director, Chief Financial Officer, representative of Statutory Auditors, Internal Auditors and Cost Auditors for meeting(s), to provide inputs on issues relating to accounts, taxation, internal audit finding, internal controls, risk managements etc.

#### (b) Composition, meeting and attendance

Audit Committee comprised of three directors as on March 31, 2018 out of which two were non-executive (independent) directors and one was executive director having financial management expertise. Chairman of the committee, Mr. R. Parameswar, (Independent Director) was present at the last Annual General Meeting.

Company Secretary acts as the secretary to the Audit Committee.

Four meetings of the Audit Committee were held during the year viz. on May 04, 2017, August 11, 2017,

November 09, 2017 and February 01, 2018 respectively. The details of the members and their attendance at the meetings are as follows:

Name of the Director	Position	Category	No. of meetings attended
Mr. R. Parameswar	Chairman	Non-Executive Independent Director	4 of 4
Mr. P. R. Khanna	Member	Non-Executive Independent Director	4 of 4
Mr. Nand Khemka	Member	Executive Promoter Director	3 of 4

#### IV. Nomination and Remuneration Committee

##### (a) Brief description of terms of reference

The Nomination and Remuneration Committee assists 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 cover the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 178 of the Companies Act, 2013.

##### (b) Composition, meeting and attendance

Two meetings of the Nomination and Remuneration Committee were held during the year viz. on May 05, 2017 and February 02, 2018. 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
Mr. P. R. Khanna	Chairman	Non-Executive Independent Director	2 of 2
Mr. R. Parameswar	Member	Non-Executive Independent Director	2 of 2
Ms. Bindu Saxena	Member	Non-Executive Independent Director	2 of 2
Mr. Nand Khemka	Member	Executive Promoter Director	1 of 2

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

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

Broad parameters for evaluating the performance of Independent Directors amongst other include their qualification, experience, participation at the Board/ Committee meetings, understanding and discharging their roles and responsibilities, ability to function a team, exercise of independent judgment, prudence, commitment and ability to contribute and monitor corporate governance practices, adherence to the code of conduct, maintaining independence and integrity.

#### V. Remuneration of Directors

(a) There was no pecuniary relationship or transaction between the non-executive directors and the company during the financial year 2017-2018.

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

Sitting fees and profit related commission is paid to non-executive directors based on their contribution and participation in the meeting of the Board or Committees, thereof.

Payment criteria of non-executive directors are given in the Nomination and Remuneration Policy. The web link for the same is <http://indagrubber.in/indag/wp-content/uploads/NRC-policy.pdf>.

- c. **Details of remuneration to directors:** Company has paid following remuneration to directors during the year under review, which is in accordance with the section 178(4) of the Companies Act, 2013.

**(i) Non-Executive Directors**

The non-executive directors are paid sitting fee and profit related commission. In terms of approval of the members at the 34<sup>th</sup> Annual General Meeting of the Company held on July 19, 2013, profit related commission of a sum 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 is divided amongst the non-executive directors as recommended by the Nomination and Remuneration Committee and 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.

Non-executive directors are paid sitting fee of Rs. 1,00,000/- for attending the Board meetings, Rs.50,000 for Audit Committee Meetings and Independent Directors meeting and Rs. 20,000/- per meeting for attending other Committee meetings. No sitting fee is paid for attending the meetings of CSR Committee, as decided by the Board.

**(ii) Executive Director**

The appointment and payment of remuneration of the executive directors is governed by resolutions passed by the shareholders of the company. A separate service contract is not entered into by the company with executive directors.

**(iii) Elements of remuneration paid to the executive and non-executive directors during the financial year 2017-18 are given below-**

Name of Director	Salary (in Rs.)	Perquisite (in Rs.)	Contribution to PF (in Rs.)	Sitting fee (in Rs.)	Bonus/ Profit related commission for the year 2017-18 (in Rs.)	Total (in Rs.)
<b>Category A- Executive Directors</b>						
Mr. Nand Khemka Chairman cum Managing Director	96,00,000	-	-	-	14,63,000	1,10,63,000
Mr.K.K.Kpaur CEO & Whole Time Director	84,00,000	1,03,000	10,08,000	-	15,52,000	1,10,63,000
<b>Category B- Non Executive Directors</b>						
Mr.P.R.Khanna Independent Director	-	-	-	5,90,000	8,06,500	13,96,500
Mr.R.Parameswar Independent Director	-	-	-	7,70,000	8,06,500	15,76,500
Ms.Bindu Saxena Independent Director	-	-	-	3,90,000	4,50,000	8,40,000
Mr.Harjiv Singh Independent Director	-	-	-	1,00,000	1,50,000	2,50,000
Mr.Shiv Khemka	-	-	-	Nil	Nil	Nil
Mr.Uday Khemka	-	-	-	Nil	Nil	Nil

- (iv) The office of the Managing Director or Whole Time Director can be terminated with three months notice from either side.
- (v) No severance fee is payable to any director.
- (vii) Stock option details - Company does not have any stock option scheme.

## VI. Stakeholders' Relationship Committee

- (i) Stakeholders' Relationship Committee looks into shareholders' and investors' grievances. Mr.R.Parameswar, Non-executive Independent Director is the Chairman of the Committee. The Board has designated Ms. Manali D. Bijlani, Company Secretary as the Compliance Officer.

### (ii) Composition and attendance-

Sl. No.	Name of the Director	Category	No. of meetings attended
1	Mr.R Parameswar (Chairman)	Non-Executive Independent Director	4 of 4
2	Mr.Nand Khemka	Executive (Interested)	3 of 4
3	Mr.K.K.Kapur	Executive (Interested)	4 of 4

- (iii) 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 March 31, 2018: Nil

## VII. General Body Meetings

### (a) The details of the last three Annual General Meetings held are as under:

AGM	Day	Date	Time	Venue	Whether Special Resolution passed
36 <sup>th</sup>	Friday	August 14, 2015	10.00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	None
37 <sup>th</sup>	Friday	May 27, 2016	10.00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	Reappointment of Mr.K.K.Kapur as a whole time director for a period of three years with effect from June 1, 2016.
38 <sup>th</sup>	Monday	June 19, 2017	10:00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	To maintain and keep the Company's registers and copies of annual returns or any one or more of them, at a place other than Company's Registered Office.

### (b) Details on Postal Ballot

Sl. No.	Particular	Status
1.	Whether any special resolution passed last year through postal ballot – details of voting pattern	Nil
2.	Person who conducted the postal ballot exercise	Not applicable
3.	Whether any special resolution is proposed to be conducted through postal ballot	If a need arises, it may be conducted
4.	Procedure for postal ballot	As given in Section 110 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

### VIII. Means of Communication

Sl. No.	Particular	Status
a.	Quarterly results	Quarterly / half-yearly/ annual financial results are e-filed with BSE
b.	Newspaper wherein results normally published	Business Standard or Financial Express
c.	Website where displayed	Placed on company's website <a href="http://www.indagrubber.com">www.indagrubber.com</a>
d.	Whether website displays official news release	Financial information, shareholding pattern, codes & polices etc. are updated on website <a href="http://www.indagrubber.com">www.indagrubber.com</a>
e.	Presentation made to institutional investors or analyst	Uploaded on company website and also filed with Bombay Stock Exchange

### IX. General Shareholders' Information

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

Day	:	Tuesday
Date	:	August 14, 2018
Time	:	10:00 A.M.
Venue	:	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003

**(ii) Financial Year** : April 01, 2017 to March 31, 2018

**(iii) Dividend Payment Date** : August 24, 2018

**(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 2017-2018**

The details of Monthly High and Low price(s) on Bombay Stock Exchange for the financial year 2017-2018 are as under:

Month	Monthly High	Monthly Low	S&P BSE SENSEX Monthly High	S&P BSE SENSEX Monthly Low
April, 2017	224.80	200.00	30,184.22	29,241.48
May, 2017	235.00	197.00	31,255.28	29,804.12
June, 2017	229.00	200.10	31,522.87	30,680.66
July, 2017	222.00	195.00	32,672.66	31,017.11
August, 2017	209.60	167.25	32,686.48	31,128.02
September, 2017	194.90	171.15	32,524.11	31,081.83
October, 2017	181.00	168.15	33,340.17	31,440.48
November, 2017	185.05	168.00	33,865.95	32,683.59
December, 2017	187.50	165.00	34,137.97	32,565.16
January, 2018	200.00	173.00	36,443.98	33,703.37
February, 2018	195.00	162.50	36,256.83	33,482.81
March, 2018	175.20	154.50	34,278.63	32,483.84

**(vii) In case the securities are suspended from trading, reason thereof-** No order was passed for company's securities being suspended from trading.

**(viii) 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  
Phone No.: 011-26812682-83  
E-mail id- grievances@skylinerta.com  
Website- www.skylinerta.com

**(ix) 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.

**(x) Distribution of Shareholding as on March 31, 2018:**

No. of equity shares held	Number of Shareholder	% to total numbers	Share holding amount (Rs.)	% to total amount
Up To 5,000	5843	95.57	3470432	6.61
5,001 To 10,000	120	1.96	880498	1.68
10,001 To 20,000	65	1.06	921812	1.76
20,001 To 30,000	27	0.44	652008	1.24
30,001 To 40,000	9	0.15	327612	0.62
40,001 To 50,000	7	0.11	321630	0.61
50,001 To 1,00,000	20	0.33	1471352	2.8
1,00,000 and Above	23	0.38	44454656	84.68
<b>Total</b>	<b>6114</b>	<b>100</b>	<b>52500000</b>	<b>100</b>

**(xi) Categories of Shareholding as on March 31, 2018:**

Category	No. of Shares held	% of Shareholding
<b>Promoter and Promoter Group</b>		
Individuals	11285010	42.99
Bodies Corporate	7825428	29.81
Foreign Promoters-Bodies Corporate	513000	1.95
<b>Public</b>		
Individuals shareholders	4887770	18.62
Bodies Corporate	469674	1.79
NBFCs Registered with RBI	326400	1.24
Non Resident Indians	247376	0.94
Resident Indian HUF	202088	0.77
Clearing Members/ House	115202	0.44
Foreign Portfolio Investors	101334	0.39
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	206188	0.78
Unclaimed Suspense Account	70530	0.27
<b>Total</b>	<b>26250000</b>	<b>100</b>

**(xii) Dematerialization of shares and liquidity**

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, 2018, a total of 25898005 equity shares which form 98.66% of the share capital stand dematerialized. The equity shares are frequently traded on Bombay Stock Exchange and hence provide liquidity to the investors.

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

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

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

The Company did not engage in hedging activities.

**(xv) Plant Location :**

- (a) Village Jhiriwala, Hadbast No.-73, Nalagarh, District Solan, Himachal Pradesh - 174101
- (b) Plot No.-86, Industrial Area, Bhiwadi, Distt.-Alwar, Rajasthan – 301019 – (DORMANT)



**(xvi) 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  
Phone No.: 011-26812682-83  
E-mail id: grievances@skylinerta.com  
Website: www.skylinerta.com
- (b) For any investor grievance : The Company Secretary  
Indag Rubber Limited  
11, Community Centre, Saket,  
New Delhi – 110 017  
Phone no.: 011-26963172-73  
info@indagrubber.com

**X. Other Disclosures**

- (i) During the financial year ended March 31, 2018 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- (ii) No penalties were imposed, and no strictures were 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 Regulations, 2015. 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.in/indag/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.in/indag/wp-content/uploads/Policy-on-materiality-of-Related-Party-Transaction.pdf>.
- (vii) During the financial year ended March 31, 2018 the company did not engage in commodity hedging activities.

**XI. Non-compliance of any requirement of Corporate Governance Report**

During second half of the financial year 2017-18, the Board of Directors did not consist of optimal number of Independent directors, as Mr.Harjiv Singh automatically vacated the office due to disqualification under Section 164(2) of the Companies Act, 2013.

**XII. ADOPTION OF DISCRETIONARY REQUIREMENTS****I. Shareholder Rights**

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

**II. Audit Qualifications**

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

**III. Separate posts of Chairman and Chief Executive Officer**

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

**IV. 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.

**XIII. Compliance of corporate governance requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Except for Regulation 17(1) (b) and Regulation 25(6), the company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**XIV. Credit Risk Rating**

During the F.Y.2017-18, the Company has obtained rating from ICRA which has re-affirmed its long term rating of “[ICRA]A+” on the Rs.8 crores long term fund based and also re-affirmed a short-term rating of “[ICRA]A1+” on the Rs.47 crores (including Rs.2 crore unallocated limits) non fund based facilities. The outlook on the long term rating has been revised from ‘Stable’ to ‘Negative’.

**XV. Disclosure of Accounting Treatment**

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.

**XVI. Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account-**

Particulars	No. of Shareholders	No. of Shares
A. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	617	236955
B. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	09	10500
C. Number of shareholders to whom shares were transferred from suspense account during the year	09	10500
D. Number of shareholders who have not claimed dividend for last 7 years, and whose shares have been transferred to IEPF account of MCA from Demat Suspense Account	429	155925
E. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares	179	70530

**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 31<sup>st</sup> March, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable.

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 above mentioned Listing Regulations, as applicable except that the Company was not in compliance of Regulation 17(1) (b) and Regulation 25(6) of Listing Regulations with respect to constitution of the Board as office of one of the Independent Director was vacated due to appearing of his name in the list of disqualified Directors issued by the Registrar of the Companies on 12<sup>th</sup> September, 2017 under the provisions of Section 167(1)(a) read with Section 164(2) of the Companies Act, 2013.

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 : May 24, 2018  
Place : New Delhi

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

The Indian retreading industry has had to deal with several headwinds in the last couple of years. These headwinds resulted from increase in radialisation in the last few years. Demonetisation, GST and Radialisation delayed the availability of tyres for first retreading.

### Opportunities and Threats

Reduction of the impact of Chinese tyre sales which rose dramatically in financial year 2016-17 slowed down post demonetization and imposition of anti-dumping duty on tyres imported or produced from China. This has created a level playing field which we anticipate will help strengthen the domestic retreading industry.

The entry of major multinational and Indian tyre companies in the retreading industry has led to higher competition.

### Segment-wise or Product-wise Performance

Indag has only one business segment, that is, manufacture of precured tread rubber (PTR) and allied items, hence segment wise reporting is not required.

### Outlook

The outlook for the retreading industry has some tailwinds that we anticipate will improve the overall transport, tyre and retreading industry. These will come from initiatives like the Logistics Efficiency Enhancement Programme (LEEP) of Govt. of India and development of multi modal logistics parks, Super Expressways, better roads and development of infrastructure.

Retreading industry has been focusing on improving efficiency and optimizing costs in the production process, so as to push the market towards more premium products. Budget retreading is being taken over by quality premium retreading among large fleet owners, who demand reliable performance and improved durability. Indag with its focus on quality and durability is well positioned to take advantage of this trend.

### Risks and Concerns

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 various 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.

### Internal Control Systems and Their Adequacy

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.

### Discussion on Financial Performance with respect to Operational Performance

The financial performance of the Company has been explained in the Board Report.

## Human Resource Development and Industrial Relations

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. The company has taken steps 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. There were 318 regular employees as at March 31, 2018.



## Indag Rubber Limited

CIN L74899DL1978PLC009038

Regd. Off. 11, Community Centre, Saket, New Delhi-110017

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

### ECS MANDATE FORM

<b>(In case of Shareholding in Physical form)</b> To, Skyline Financial Services (P) Limited D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Phone no.: 0-11-26812682-83 Email id:- info@skylinerta.com	<b>(In case of shareholding in Electronic form)</b> To The Depository Participant
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#### **Subject: ECS Mandate for Dividend Payment**

Dear Sir,  
Unit-Indag Rubber Limited

Folio No. : ...../Client ID: ....., DP ID: .....

Kindly note the following NECS mandate with respect to my above cited Folio No/ Client ID/ DP ID-

Folio No.	
Name of the First named Shareholder	
PAN*	
CIN/Registration No.* (applicable to Corporate Shareholders)	
Tel No. with STD Code	
Mobile No.	
Email Id	

\*Self attested copy of the document(s) enclosed

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c type:	Bank A/c No.:
Name of the Bank:	
Bank Branch Address:	

\* Please enclose cancelled / photocopy of cheque to enable verification of bank details.

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or credit is not affected at all for any reason, I would not hold the Company responsible. In case of NECS facility not being available for any reason, the account detail provided above may be incorporated in the payment instrument.

Place : .....  
Date : ..... (Signature of the First Holder)

#### **Certification by the Bank**

Certified that the Bank details furnished above are correct as per our records.

Date : ..... Signature of authorized official of the Bank

Place : ..... Bank Stamp with Official Address:

## **REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED STANDALONE IND AS FINANCIAL STATEMENTS**

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

The accompanying abridged standalone Ind AS financial statements, which comprise the abridged standalone balance sheet as at March 31, 2018, the abridged standalone statement of profit and loss (including other comprehensive income), abridged standalone cash flow statement and abridged statement of changes in equity for the year then ended, and summary of significant accounting policies and other explanatory information, are derived from the audited standalone Ind AS financial statements of Indag Rubber Limited (“the Company”) for the year ended March 31, 2018. We expressed an unmodified opinion on those financial statement in our report dated May 24, 2018.

The abridged standalone Ind AS financial statements do not contain all the disclosures required by the Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Companies Act, 2013 (“the Act”) and accounting principles generally accepted in India, applied in the preparation of the audited standalone Ind AS financial statements of the Company. Reading the abridged standalone Ind AS financial statements, therefore, is not a substitute for reading the audited standalone Ind AS financial statements of the Company.

Those standalone Ind AS financial statements, and the abridged standalone Ind AS financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

### **Management’s Responsibility for the Abridged Standalone Financial Statements**

The Company’s Board of Directors is responsible for the preparation of a summary of the audited Ind AS standalone financial Statements in accordance with Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014 and are based on the audited standalone Ind AS financial statements for the year ended March 31, 2018, prepared in accordance with Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act and accounting principles generally accepted in India.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the abridged standalone Ind AS financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, “Engagements to Report on Summary Financial Statements” issued by the Institute of Chartered Accountants of India.

### **Opinion**

In our opinion, the abridged standalone Ind AS financial statements, prepared in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 are derived from the audited Standalone Ind AS financial statements of the Company for the year ended March 31, 2018 and are a fair summary of those standalone Ind AS financial statements, in accordance with the Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act and accounting principles generally accepted in India.

### **For Khanna & Annadhanam**

Chartered Accountants  
(Firm Regn. No. 001297N)

### **(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi  
Date: May 24, 2018

## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying standalone Ind AS financial statements of Indag Rubber Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes 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 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 standalone Ind AS 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 Ind AS financial statements based on our audit. In conducting 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.



## Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 05, 2017 and April 14, 2016 respectively expressed an unmodified opinion on those standalone financial statements. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

## 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 in terms of Section 143(11) of the Act, we give in "Annexure A" 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 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 (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) on the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 B";
  - 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 standalone Ind AS financial statements. Refer Note 36 to the standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The disclosures regarding details of specified bank notes held and transacted during November 08, 2016 to December 30, 2016 has not been made since the requirement does not pertain to the financial year ended March 31, 2018.

## For Khanna & Annadhanam

Chartered Accountants  
(Firm's Regn. No. 001297N)

(Sanjeev Srivastava)

Partner  
Membership No.502238

Place: New Delhi  
Date: May 24, 2018

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Indag Rubber Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

- (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 and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of section 186 of the Companies Act, 2013 in respect of guarantees given and investments made.
- (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, goods and service tax, 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, goods and service tax, 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, goods and service tax, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	139.15	A.Y.1998-99	Delhi High Court
Himachal Pradesh Tax on entry of Goods into Local Area Act, 2010	Entry Tax	793.35	March 2011, 2011-12, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017 and April to June 2017.	Shimla High Court

Name of the statute	Nature of dues	Amount (Rs. in lakh)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	6.71	April 2006 to March 2009	Commissioner (Appeals), Central Excise & Service Tax, Chandigarh-II
Gujrat Sales Tax Act, 1969	Non-Submission of C Forms	25.95	F.Y. 2002-03	Deputy Commissioner, Vadodara
Karnataka VAT Act, 2003	Non-Submission of C Forms	12.94	F.Y. 2013-14	Assistant Commissioner, Commercial Taxes, Karnataka

- (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 by way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause 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 Khanna & Annadhanam**

Chartered Accountants  
(Firm Regn. No. 001297N)

**(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi  
Date: May 24, 2018

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Indag Rubber Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018**

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

We have audited the internal financial controls over financial reporting of Indag Rubber Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 Company's 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, 2018, 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.

### **For Khanna & Annadhanam**

Chartered Accountants  
(Firm Regn. No. 001297N)

### **(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi

Date: May 24, 2018

## Abridged balance sheet as at 31 March 2018

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	2,841.50	3,059.04	2,744.59
b. Capital work-in-progress	20.78	19.44	428.75
c. Other intangible assets	30.43	19.15	6.38
d. Financial assets			
i. Investments	10,177.45	6,302.54	5,312.87
ii. Loans	3.60	9.81	2.82
iii. Other financial assets	126.22	62.47	47.35
e. Income tax assets (Net)	20.00	20.00	29.90
f. Other non-current assets	3.07	28.79	46.90
<b>Total non-current assets</b>	<b>13,223.05</b>	9,521.24	8,619.56
<b>Current assets</b>			
a. Inventories	3,278.61	4,142.48	2,935.06
b. Financial assets			
i. Investments	515.28	2,965.14	3,042.13
ii. Trade receivables	2,890.12	2,900.16	3,011.70
iii. Cash and cash equivalents	300.55	299.11	246.59
iv. Bank balances other than (iii) above	111.55	205.65	184.64
v. Loans	19.90	17.75	20.77
vi. Other financial assets	539.05	491.36	506.56
c. Income tax assets (Net)	-	8.93	-
d. Other current assets	150.12	169.68	118.50
<b>Total current assets</b>	<b>7,805.18</b>	11,200.26	10,065.95
<b>Total assets</b>	<b>21,028.23</b>	20,721.50	18,685.51
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	525.00	525.00	525.00
b. Other equity	18,116.21	17,108.57	15,177.65
<b>Total equity</b>	<b>18,641.21</b>	17,633.57	15,702.65
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a. Deferred tax liabilities (Net)	364.40	390.02	287.14
<b>Total non-current liabilities</b>	<b>364.40</b>	390.02	287.14
<b>Current liabilities</b>			
a. Financial liabilities			
i. Trade payables	1,426.06	1,801.86	1,673.44
ii. Other financial liabilities	259.36	236.40	252.58
b. Provisions	108.16	99.31	74.98
c. Current income tax liabilities(Net)	63.07	49.76	41.17
d. Other current liabilities	165.97	510.58	653.55
<b>Total current liabilities</b>	<b>2,022.62</b>	2,697.91	2,695.72
<b>Total liabilities</b>	<b>2,387.02</b>	3,087.93	2,982.86
<b>Total equity and liabilities</b>	<b>21,028.23</b>	20,721.50	18,685.51

See accompanying notes to the financial statements

As per our report of even date

**For and on behalf of the Board of Directors**

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer

## Abridged statement of profit and loss for the year ended 31 March 2018

	Year ended 31 March 2018 (Rs. / lakh)	Year ended 31 March 2017 (Rs. / lakh)
<b>I</b> Revenue from operations	16,783.72	20,383.06
<b>II</b> Other income	706.40	620.01
<b>III Total income (I+II)</b>	<u>17,490.12</u>	<u>21,003.07</u>
<b>IV Expenses</b>		
Cost of raw materials consumed	10,067.82	11,499.41
Purchase of stock in trade	15.27	29.25
Changes in inventories of finished goods, stock-in-trade and work in progress	657.88	(740.07)
Excise duty on sale of goods	386.93	2,024.75
Employee benefits expense	1,608.32	1,936.03
Finance costs	20.52	30.75
Depreciation and amortisation expense	305.70	296.30
Other expenses	2,264.43	2,739.14
<b>Total expenses (IV)</b>	<u>15,326.87</u>	<u>17,815.56</u>
<b>V Profit before tax (III-IV)</b>	<u>2,163.25</u>	<u>3,187.51</u>
<b>VI Tax expense</b>		
Current tax	644.50	896.44
Deferred tax	(73.10)	102.48
Income tax adjustment for earlier year	15.89	1.27
	<u>587.29</u>	<u>1,000.19</u>
<b>VII Profit for the year (V-VI)</b>	<u>1,575.96</u>	<u>2,187.32</u>
<b>VIII Other comprehensive income ('OCI')</b>		
i. Items that will not be reclassified subsequently to the statement of profit and loss		
a. Gain on change in fair valuation of equity instruments carried at fair value through OCI	208.49	215.32
b. Gain on sale of equity and equity related instruments	13.14	292.74
c. Remeasurement gain on defined benefit obligations (net)	24.15	1.16
	<u>245.78</u>	<u>509.22</u>
ii. Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		
a. Current tax	8.36	6.97
b. Deferred tax	47.48	0.40
	<u>55.84</u>	<u>7.37</u>
<b>Total other comprehensive income (VIII)</b>	<u>189.94</u>	<u>501.85</u>
<b>IX Total Comprehensive income for the year (VII+VIII)</b>	<u>1,765.90</u>	<u>2,689.17</u>
<b>X Earnings per equity share</b>		
Basic and diluted (Rs.) [Nominal value of share Rs. 2]	6.00	8.33

See accompanying notes to the Abridged financial statements

As per our report on the abridged financial statements of even date

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

For and on behalf of the Board of Directors

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer

## Abridged Statement of changes in equity for the year ended 31 March, 2018

	Amount (Rs. / lakh)
<b>a. Equity share capital</b>	
Balance as at 1 April, 2016	525.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2017</b>	<b>525.00</b>
Balance as at 1 April, 2017	525.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2018</b>	<b>525.00</b>

### b. Other equity

	Reserve and surplus				Other comprehensive income (Rs. / lakh)	Total equity attributable to share holders of the Company (Rs. / lakh)
	Capital reserve (Rs. / lakh)	Securities premium reserve (Rs. / lakh)	General reserve (Rs. / lakh)	Retained earnings (Rs. / lakh)		
<b>Balance as at 1 April, 2016</b>	0.29	450.00	1,148.80	13,815.30	(236.74)	15,177.65
Profit for the year	-	-	-	2,187.32	-	2,187.32
Other comprehensive income for the year, net of income tax	-	-	-	-	501.85	501.85
Total comprehensive income	-	-	-	2,187.32	501.85	2,689.17
Dividend paid (including taxes)	-	-	-	758.25	-	758.25
	-	-	-	1,429.07	501.85	1,930.92
<b>Balance as at 31 March, 2017</b>	0.29	450.00	1,148.80	15,244.37	265.11	17,108.57
<b>Balance as at 1 April, 2017</b>	0.29	450.00	1148.80	15244.37	265.11	17108.57
Profit for the year	-	-	-	1,575.96	-	1,575.96
Other comprehensive income for the year, net of income tax	-	-	-	-	189.94	189.94
Total comprehensive income	-	-	-	1,575.96	189.94	1,765.90
Dividend paid (including taxes)	-	-	-	758.26	-	758.26
	-	-	-	817.70	189.94	1,007.64
<b>Balance as at 31 March, 2018</b>	0.29	450.00	1,148.80	16,062.07	455.05	18,116.21

See accompanying notes to the Abridged financial statements

As per our report on the abridged financial statements of even date

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

For and on behalf of the Board of Directors

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer



## Abridged Cash flow statement for the year ended 31 March 2018

	Year ended 31 March 2018 (Rs. / lakh)	Year ended 31 March 2017 (Rs. / lakh)
A. Cash flows from operating activities	1,379.26	872.40
B. Cash (used in) investing activities	(607.15)	(44.08)
C. Cash (used in) financing activities	(770.67)	(775.80)
Net increase/ (decrease) in cash and cash equivalents	1.44	52.52
Cash and cash equivalents at the beginning of the year	299.11	246.59
Cash and cash equivalents at the end of the year*	300.55	299.11

\*refer details given in note 8

As per our report on the abridged financial statements of even date

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

For and on behalf of the Board of Directors

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer

## Notes to the abridged financial statements for the year ended 31 March 2018

(The note numbers appearing in the brackets “[ ]” are as they appear in the complete set of financial statements)

### 1. Basis of preparation

These abridged financial statements have been prepared in accordance with the requirements of Rule 10 of the Companies (Accounts) Rules, 2014. These abridged financial statements have been prepared on the basis of the complete set of financial statements for the year ended March 31, 2018.

### 2.[31] Segment Information

The Operating Segment have been reported in a manner consistent with the internal reporting provided to the Chief Financial Officer and the Chief Executive Officer who are the Chief Operating Decision Maker (CODM). 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 and providing tyre retreading service. These products do not have any different risk and returns and thus the CODM performs review based on one operating segment.

There are no single customer whose sales are exceeding 10% of the turnover.

### 3.[33] Related party disclosures

Name and relationships of related-parties:

- a. Subsidiary Company
  - i. SUN - AMP Solar India Private Limited (w.e.f. October 13, 2016)
- b. Step - down Subsidiary Company
  - i. Samyama Jyothi Solar Energy Private Limited (w.e.f. October 13, 2016)
- c. Key management personnel
  - i. Mr. Nand Khemka (Chairman cum Managing Director)
  - ii. Mr. Shiv Vikram Khemka (Non Executive Director)
  - iii. Mr. Uday Harsh Khemka (Non Executive Director)
  - iv. Mr. K.K. Kapur (CEO and Whole Time Director)
  - v. Mr. J.K Jain (CFO)
  - vi. Mrs. Manali D. Bijlani (CS)
  - vii. Ms. Bindu Saxena (Independent Director)
  - viii. Mr. R Parameswar (Independent Director)
  - ix. Mr. P.R. Khanna (Independent Director)
  - x. Mr. Harjiv Singh (Independent Director) - till 12-09-2017
- d. Relatives of key management personnel
  - i. Mrs. Jeet Khemka, wife of Mr. Nand Khemka
  - ii. Mrs. Urvashi Khemka, wife of Mr. Shiv Vikram Khemka
  - iii. Mrs. Nitya Mohan Khemka, wife of Mr. Uday Harsh Khemka
- e. Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)
  - i. Unipatch Rubber Limited
  - ii. Khemka Aviation Private Limited
  - iii. Nand and Jeet Khemka Foundation
  - iv. Khemka & Company Private Limited
  - v. Pankaj Dilip Private Limited
  - vi. Sun Securities Limited
  - vii. Sun London Limited
  - viii. Khemka Technical Services Private Limited
  - ix. Khemka Instruments Private Limited
  - x. Youth Reach
  - xi. SRL 142 Holdings Limited
  - xii. The Nabha Foundation

**Related party transactions:**
**I Transaction entered with related parties:**
**1 Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)**
**A. Name of parties:**
**(Rs. / lakh)**

Particulars	Year ended		Year ended		Year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Sale of goods		Purchase of goods		Rent paid	
- Unipatch Rubber Limited	92.49	85.66	0.60	0.87	-	-
- Khemka Aviation Private Limited	-	-	-	-	92.52	89.85

**B. Name of parties:**

	Reimbursement of expenses received		Dividend paid		CSR expenditure	
- Unipatch Rubber Limited	0.85	0.78	28.50	28.50	-	-
- Khemka Aviation Private Limited	1.85	2.17	150.54	150.54	-	-
- Nand and Jeet Khemka Foundation	1.31	1.47	-	-	-	-
- The Nabha Foundation	-	-	-	-	66.64	28.00
- Youth Reach	1.02	1.05	-	-	10.00	30.00
- Others	-	-	21.09	21.09	-	-

**C. Name of parties:**

	Security deposit taken		Security deposit refunded		Investments in Cumulative Compulsory Convertible preference Shares	
- Khemka Aviation Private Limited	1.00	2.00	1.00	2.00	-	-
- SRL 142 Holdings Ltd	-	-	-	-	-	1,201.95

**2 Subsidiary company**

Name of parties:	Investment in equity Shares	
- SUN AMP Solar India (P) Ltd	-	295.35

**3 Step-down subsidiary company**

Name of parties:	Bank guarantee given		Bank guarantee Released		Reimbursement of expenses received	
- Samyama Jyothi Solar Energy (P) Ltd	-	966.15	-	708.15	-	6.26

Name of parties:	Fixed deposit given		Fixed deposit released	
- Samyama Jyothi Solar Energy (P) Ltd	-	450.00	-	450.00

(Rs. / lakh)

Particulars	Year ended		Year ended		Year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017

**4 Relatives of Key management personnel**

Name of parties:	Dividend paid	
- Mrs. Jeet Khemka	210.36	210.36
- Mrs. Urvashi Khemka (Joint holder with Mr. Shiv Vikram Khemka)	30.02	30.02
- Mr. Uday Harsh Khemka (Joint holder with Mrs. Nitya Mohan Khemka)	30.02	30.02

**5 Key management personnel**

Name of parties:	Remuneration		Sitting fees		Dividend paid	
- Mr. Nand Khemka	110.63	159.69	-	-	0.44	0.44
- Mr. Shiv Vikram Khemka	-	4.42*	-	0.40	-	-
- Mr. Uday Harsh Khemka	-	1.02*	-	0.20	-	-
- Mr. K.K. Kapur	110.63	159.69	-	-	-	-
- Mr. J.K Jain	29.61	56.08	-	-	-	-
- Mrs. Manali D Bijlani	19.60	19.95	-	-	-	-
- Ms. Bindu Saxena	4.50	4.42	3.90	1.00	-	-
- Mr. P.R. Khanna	8.07	8.75	5.90	3.50	-	-
- Mr. R. Parameswar	8.07	8.75	7.70	3.50	-	-
- Mr. Harjiv Singh	1.50	4.42	1.00	1.00	-	-

Name of parties:	Professional fee	
- Mr. P.R. Khanna	1.00	-

\*This represents provisions made in the previous year which has been written back during the year as the same is not payable.

**II Balances outstanding at year end :**

(Rs. / lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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**1 Subsidiary Company**

Name of parties:	Investment in equity shares		
- SUN AMP Solar India (P) Ltd	295.35	295.35	-

**2 Step-down Subsidiary Company**

Name of parties:	Bank guarantee outstanding		
- Samyama Jyothi Solar Energy (P) Ltd	258.00	258.00	-

(Rs. / lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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### 3 Key management personnel

Name of parties:	Remuneration		
- Mr. Nand Khemka	14.63	63.69	104.35
- Mr. Shiv Vikram Khemka	-	4.42*	5.71
- Mr. Uday Harsh Khemka	-	1.02*	2.80
- Mr. K.K. Kapur	15.52	68.99	120.54
- Ms. Bindu Saxena	4.50	4.42	14.20
- Mr. P.R. Khanna	8.07	8.75	14.20
- Mr. R. Parameswar	8.07	8.75	14.20
- Mr. Harjiv Singh	1.50	4.42	-

\*This represents provisions made in the previous year which has been written back during the year as the same is not payable.

### 4 Enterprises owned or significantly influenced by key management personnel or their relatives (Either individually or with others)

#### A. Name of parties:

	Trade payables		
- Khemka Aviation Private Limited	0.15	-	-

#### B. Name of parties:

	Loans and advances		
- Unipatch Rubber Limited	0.09	-	-

### 4.[34] Capital and other commitments

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. Nil, (As at 31 March, 2017 Rs. 28.79 lakh and As at 1 April, 2016 Rs. 46.10 lakh)	-	29.49	54.52
b. Other commitments			
i. Estimated future investments in Capital venture fund in terms of agreement with the fund	-	-	20.00
ii. Estimated future investments in ICICI Prudential Real Estate AIF-1 Fund in terms of agreement with the fund	-	14.00	70.00
iii. Estimated future investments in India Whizdom Fund in terms of agreement with the fund	-	100.00	160.00
iv. IIFL special opportunity fund	125.00	-	-
c. The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business.			
d. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.			
e. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.			

## 5.[36] Contingent liabilities

### a. Claims against the Company not acknowledged as debt

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
i. 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 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 lakh against the above demand which is included in the 'Advance Tax' under note no. 7 to the financial statements	159.15*	159.15*	159.15*
ii. Pending labour cases			
- in case of one employee	5.31*	5.31*	5.31*
- in case of others	<b>Liability not ascertainable</b>	Liability not ascertainable	Liability not ascertainable
iii. Demand raised by the Excise Authorities, being disputed by the Company.	6.90*	6.90*	6.90*
iv. Demand raised by the Sales Tax Authorities, being disputed by the Company.	41.39*	27.13*	25.80*
v. 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) #	1244.68*	1227.15*	1083.43*
vi. Demand raised by Income Tax Authorities, being disputed by the Company for A.Y 2013-14	-	8.93*	8.93*
vii. Demand raised by Income Tax Authorities, being disputed by the Company for A.Y 2014-15	-	5.38*	-
<b>Total</b>	<b>1,457.43</b>	1,439.95	1,289.52

# The Company had obtained a stay of the Himachal Pradesh Government order levying entry tax on all goods entering the state with effect from 24th January, 2011. The Hon'ble High Court, Himachal Pradesh 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. The company has deposited Rs. 451.33 lakh till 30.06.2017 (Previous year Rs 437.46 lakh) and furnished bank guarantees of Rs. 793.35 lakh till 30.06.2017 (Previous year Rs 770.57 lakh). 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.

While Hon'ble Supreme Court has upheld the constitutional validity of Entry Tax in their judgment dated 11 November, 2016, the issue of discrimination under Article 304(a) and scope of local area is left to be determined by respective High Courts. Hon'ble High Court, Shimla has issued notice on the writ petition filed by the company and ordered that bank guarantee will not be encashed and department will maintain status quo.

The entry tax has been abolished due to implementation of GST w.e.f 01.07.2017

\* 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.

#### b. Guarantees

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
Bank Guarantee given on behalf of Samyama Jyothi Solar Energy (P) Limited	258.00	258.00	-

#### c. Others

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.	31.28**	35.36**	35.36**
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\*\* Based on future sales plan, the management is quite hopeful to meet the obligations by executing the required volume of sales in future.

- d. The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- e. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

#### 6.[37] Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
1 Principal amount remaining unpaid to any supplier at the end of each accounting year			
- Trade payables	22.88	10.94	6.27
- Payable for capital creditors	-	1.19	21.92
2 Interest due on above.	-	-	-
3 Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-	-
4 Amount paid to the suppliers beyond the respective due date.	-	-	-
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.	-	-	-
6 Amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
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.	-	-	-

## 7. [22] Revenue from operations (gross)

	Year ended 31 March 2018 (Rs. / lakh)	Year ended 31 March 2017 (Rs. / lakh)
Sale of products manufactured	16,696.32	20,256.91
Sale of traded goods	33.87	36.77
Sale of services	19.61	40.35
Other operational revenue	33.92	49.03
	<u>16,783.72</u>	<u>20,383.06</u>

## 8. [13] Cash and cash equivalents

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
<b>Components of cash and cash equivalents</b>			
Cash in hand	3.58	1.66	2.12
Balances with banks:			
on current accounts	241.88	220.86	142.58
on cash credit accounts	55.09	76.59	101.89
<b>Total cash and cash equivalents</b>	<u>300.55</u>	<u>299.11</u>	<u>246.59</u>

## 9. Market value of quoted and unquoted investments

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
<b>9. [5] Non-current investments</b>			
Aggregate amount of quoted investments and market value thereof	321.06	497.44	808.28
Aggregate amount of unquoted investments (including mutual funds)	9,856.39	5,805.10	4504.59
	<u>10,177.45</u>	<u>6,302.54</u>	<u>5,312.87</u>
<b>9. [11] Current investments</b>			
Aggregate market value of unquoted investments	515.28	2,965.14	3,042.13
	<u>515.28</u>	<u>2,965.14</u>	<u>3,042.13</u>

## 10.[41] First time adoption - Transition to Ind As

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 to financial statements have been applied in preparing these financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ending 31 March, 2017 and in preparation of opening Ind AS balance sheet at 1 April, 2016 ('the date of transition'). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as 'Indian



GAAP') as amended by Companies (Accounting Standard) Rules, 2016 and other relevant provisions of the act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in note 11.[42] of the financial statements.

The exemptions availed by the Company are as follows:

**i. Deemed cost for property, plant and equipment and intangible assets**

The company has elected to continue with the carrying value of all of its Property, plant and equipment and intangible assets recognized as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**ii. Equity investments at FVTOCI**

The company has designated investment in equity share, equity mutual funds, compulsory convertible preference shares, capital venture funds at FVTOCI on the basis of facts and circumstances that existed at the transition date.

### 11.[42] First Time Adoption of Ind AS reconciliations

These are the Company's first financial statements prepared in accordance with Ind AS.

The effect of the Company's transition to Ind AS is summarised in the following notes:

- i. Transition elections.
- ii. Reconciliation of equity, total comprehensive income and cash flows as reported as per Ind AS, in this financial statement with as reported in previous years as per previous Indian GAAP.

**Transition elections**

The Company has prepared the opening balance sheet as per Ind AS as of 1 April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company. The Company has applied the following transition exemptions apart from mandatory exceptions in Ind-AS 101 :

- i. Deemed cost of property, plant and equipment and other intangible assets.
- ii. Investments in subsidiaries in separate financial statements.
- iii. Designation of equity investments at FVTOCI.

**Deemed cost of property, plant and equipment and other intangible assets**

In accordance with Ind-AS transitional provisions, the Company opted to consider previous GAAP carrying value of property, plant and equipment and other intangible assets as deemed cost on transition date.

**Investments in subsidiary in separate financial statements**

In accordance with Ind-AS, the Company opted to consider cost as value of investments for investments in subsidiary in separate financial statement.

**Designation of equity investments at FVTOCI**

Ind AS 101 allows an entity to designate previously recognised financial instruments basis the facts and circumstances that existed as on transition date. The Company has elected to designate equity investments in long term investments (equity instrument and equity mutual funds) at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

## Reconciliation between Previous GAAP and Ind AS

### Effect of Ind AS adoption on the financial statements as at 31.03.2017 and 01.04.2016

#### A. Effect of Ind AS adoption on the balance sheet as at 31.03.2017 and 01.04.2016

	Notes	As at 31.03.2017			As at 01.04.2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
		(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)
<b>Non-current assets</b>							
Property, plant and equipment		3,059.04	-	3,059.04	2,744.59	-	2,744.59
Capital work-in-progress		19.44	-	19.44	428.75	-	428.75
Other intangible assets		19.15	-	19.15	6.38	-	6.38
Financial assets							
i. Investments	a.	6,162.64	139.90	6,302.54	5,370.23	(57.36)	5,312.87
ii. Loans		9.81	-	9.81	2.82	-	2.82
iii. Other financial assets		62.47	-	62.47	47.35	-	47.35
Income tax assets (Net)		20.00	-	20.00	29.90	-	29.90
Other non-current assets		28.79	-	28.79	46.90	-	46.90
<b>Total non-current assets</b>		<b>9,381.34</b>	<b>139.90</b>	<b>9,521.24</b>	<b>8,676.92</b>	<b>(57.36)</b>	<b>8,619.56</b>
<b>Current assets</b>							
Inventories		4,142.48	-	4,142.48	2,935.06	-	2,935.06
Financial assets							
i. Investments	a.	2,569.91	395.23	2,965.14	2,969.40	72.73	3,042.13
ii. Trade receivables		2,900.16	-	2,900.16	3,011.70	-	3,011.70
iii. Cash and cash equivalents		299.11	-	299.11	246.59	-	246.59
iv. Bank balances other than (iii)above		205.65	-	205.65	184.64	-	184.64
v. Loans		17.75	-	17.75	20.77	-	20.77
vi. Other financial assets		491.36	-	491.36	506.56	-	506.56
Income tax assets (Net)		8.93	-	8.93	-	-	-
Other current assets		169.68	-	169.68	118.50	-	118.50
<b>Total current assets</b>		<b>10,805.03</b>	<b>395.23</b>	<b>11,200.26</b>	<b>9,993.22</b>	<b>72.73</b>	<b>10,065.95</b>
<b>Total assets</b>		<b>20,186.37</b>	<b>535.13</b>	<b>20,721.50</b>	<b>18,670.14</b>	<b>15.37</b>	<b>18,685.51</b>

	Notes	As at 31.03.2017			As at 01.04.2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
		(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)
<b>Equity</b>							
Equity share capital		525.00	-	525.00	525.00	-	525.00
Other equity	a. and b.	16,633.63	474.94	17,108.57	15,187.46	(9.81)	15,177.65
<b>Total equity</b>		<b>17,158.63</b>	<b>474.94</b>	<b>17,633.57</b>	<b>15,712.46</b>	<b>(9.81)</b>	<b>15,702.65</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Deferred tax liabilities (Net)	b.	329.83	60.19	390.02	261.96	25.18	287.14
<b>Total non current liabilities</b>		<b>329.83</b>	<b>60.19</b>	<b>390.02</b>	<b>261.96</b>	<b>25.18</b>	<b>287.14</b>

	Notes	As at 31.03.2017			As at 01.04.2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
		(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)
<b>Current liabilities</b>							
Financial liabilities							
i. Trade payables		1801.86	-	1,801.86	1,673.44	-	1,673.44
ii. Other financial liabilities		236.4	-	236.40	252.58	-	252.58
Other current liabilities		510.58	-	510.58	653.55	-	653.55
Provisions		99.31	-	99.31	74.98	-	74.98
Current income tax liabilities(Net)		49.76	-	49.76	41.17	-	41.17
<b>Total current liabilities</b>		<b>2,697.91</b>	<b>-</b>	<b>2,697.91</b>	<b>2,695.72</b>	<b>-</b>	<b>2,695.72</b>
<b>Total liabilities</b>		<b>3,027.74</b>	<b>60.19</b>	<b>3,087.93</b>	<b>2,957.68</b>	<b>25.18</b>	<b>2,982.86</b>
<b>Total equity and liabilities</b>		<b>20,186.37</b>	<b>535.13</b>	<b>20,721.50</b>	<b>18,670.14</b>	<b>15.37</b>	<b>18,685.51</b>

#### B. Reconciliation of total equity as at 31 March, 2017 and 1 April, 2016

	Notes	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
Total equity (shareholders funds) under Previous GAAP		<b>17,158.63</b>	15,712.46
<b>Adjustments</b>			
Fair valuation of investments under Ind AS	a.	<b>535.13</b>	15.37
Recognition of deferred tax is on account of Ind AS adjustments	b.	<b>(60.19)</b>	(25.18)
<b>Total adjustment to equity</b>		<b>474.94</b>	(9.81)
<b>Total equity under Ind AS</b>		<b>17,633.57</b>	15,702.65

#### Notes

- a. Under the previous GAAP, investment in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVTOCI) have been recognised in retained earnings as at the date of transition and subsequently in the statement of profit or loss. For equity instruments (including equity linked mutual funds and excluding subsidiary those are valued at cost) designated at FVTOCI resulting fair value gains and losses have been recognised in other comprehensive income.

- b. Deferred tax have been recognised on the adjustments made on transition to Ind AS.

**C. Effect of Ind AS adoption on the Statement of profit and loss for the year ended 31 March, 2017**

	Notes	Year ended 31 March 2017		
		Previous GAAP (Rs. / lakh)	Effect of transition to Ind AS (Rs. / lakh)	As per Ind AS balance sheet (Rs. / lakh)
Revenue from operations		20,383.06	-	20,383.06
Other income	a.	608.30	11.71	620.01
<b>Total income</b>		<b>20,991.36</b>	<b>11.71</b>	<b>21,003.07</b>
<b>Expenses</b>				
Cost of raw materials consumed		11,499.41	-	11,499.41
Purchase of stock in trade		29.25	-	29.25
Changes in inventories of finished goods, stock-in-trade and work in progress		(740.07)	-	(740.07)
Excise duty on sale of goods		2,024.75	-	2,024.75
Employee benefits expense	d.	1,934.87	1.16	1,936.03
Finance costs		30.75	-	30.75
Depreciation and amortisation expense		296.30	-	296.30
Other expenses		2,739.14	-	2,739.14
<b>Total expenses</b>		<b>17,814.40</b>	<b>1.16</b>	<b>17,815.56</b>
<b>Profit before tax</b>		<b>3,176.96</b>	<b>10.55</b>	<b>3,187.51</b>
<b>Tax expense</b>				
Current tax expenses	c.	903.41	(6.97)	896.44
Income tax adjustment for earlier years		1.27	-	1.27
Deferred tax	b.	67.86	34.62	102.48
<b>Net tax expense</b>		<b>972.54</b>	<b>27.65</b>	<b>1,000.19</b>
<b>Profit for the year</b>		<b>2,204.42</b>	<b>(17.10)</b>	<b>2,187.32</b>
Items that will not be reclassified subsequently to the statement of profit and loss				
a. Gain on change in fair valuation of equity instruments carried at fair value through OCI	a.	-	215.32	215.32
b. Gain on sale of equity and equity related instruments	a.	-	292.74	292.74
c. Remeasurement gain on defined benefit obligations (net)	d.	-	1.16	1.16
		-	<b>509.22</b>	<b>509.22</b>
Income tax relating to items that will not be reclassified subsequently to statement of profit and loss				
a. Current tax	c.	-	6.97	6.97
b. Deferred tax	c.	-	0.40	0.40
		-	<b>7.37</b>	<b>7.37</b>
Total other comprehensive income for the year		-	<b>501.85</b>	<b>501.85</b>
Total comprehensive income for the year		<b>2,204.42</b>	<b>484.75</b>	<b>2,689.17</b>

**D. Reconciliation of total comprehensive income for the year ended 31.03.2017**

	Notes	Year ended 31 March 2017 (Rs. / lakh)
<b>Profit after tax as per previous GAAP</b>		2,204.42
<b>Adjustments</b>		
Gain/(loss) on change in fair valuation of financial instruments other than equity instruments	a.	11.71
Remeasurement gain on defined benefit obligations (net)	d.	(1.16)
		<b>2,214.97</b>
<b>Less:</b>		
Tax relating Ind AS adjustments related to profit and loss	b. and c.	27.65
<b>Profit for the year as per Ind AS</b>		<b>2,187.32</b>
<b>Other comprehensive income for the year (net of tax)</b>		
Gain on change in fair valuation of equity instruments carried at fair value through OCI	a.	215.32
Gain on sale of equity and equity related instruments	a.	292.74
Remeasurement gain on defined benefit obligations (net)	d.	1.16
		<b>509.22</b>
<b>Less:</b>		
Income tax relating to items that will not be reclassified to profit or loss	c.	7.37
		<b>501.85</b>
<b>Total comprehensive income under Ind AS</b>		<b>2,689.17</b>

**E. Effect of Ind AS adoption on the Cash flow statements for the year ended 31 March, 2017**

	Year ended 31 March 2017		
	Previous GAAP (Rs. / lakh)	Effect of transition to Ind AS (Rs. / lakh)	As per Ind AS balance sheet (Rs. / lakh)
Net cash flows from operating activities	872.40	-	872.40
Net cash (used in) investing activities	(44.08)	-	(44.08)
Net cash (used in) financing activities	(775.80)	-	(775.80)
Net increase (decrease) in cash and cash equivalents	52.52	-	52.52
Cash and cash equivalents at the beginning of the year	246.59	-	246.59
Cash and cash equivalents at the end of the year	299.11	-	299.11

**F. Analysis of cash and cash equivalents as at 31 March, 2017 and as at 1 April, 2016 for the purposes of statement of cash flow under Ind AS**

	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
Cash and Cash equivalents for the purposes of statement of cash flows as per previous GAAP	299.11	246.59
Cash and Cash equivalents for the purposes of statement of cash flows under Ind AS	299.11	246.59

## Notes

- a. Under the previous GAAP, investment in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVTOCI) have been recognised in retained earnings as at the date of transition and subsequently in the statement of profit or loss. For equity instruments (including equity linked mutual funds and excluding subsidiary those are valued at cost) designated at FVTOCI resulting fair value gains and losses have been recognised in other comprehensive income.

- b. Deferred tax have been recognised on the adjustments made on transition to Ind AS.
- c. Income tax with respect to the adjustments pertaining to OCI are regrouped from profit and loss to OCI.
- d. Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses from part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. This change does not affect total equity.

## 12.[43] Fair value measurements

- a. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis.

Financial assets and financial liabilities are measured at fair value at the end of each reporting year. The information of the valuation techniques and the input used are as follows:

	Level	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
<b>Measured at fair value through profit or loss</b>				
Other investments				
- non current	Level 2	3,483.07	1,563.30	1,849.91
- current	Level 2	515.28	2,965.14	3,042.13
<b>Measured at fair value through other comprehensive income</b>				
Non current investments				
Investments in Equity shares	Level 1	321.06	497.44	808.28
Investments in equity oriented mutual funds	Level 2	3,072.49	1,735.42	2,271.78
Investments in Capital venture fund (unquoted)	Level 3	536.03	233.61	106.40
Investment in Compulsory convertible preference shares (Unquoted)	Level 3	1,615.00	1,201.95	-

## Valuation technique

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current

market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- a. Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- b. Quoted equity investments: Fair value is derived from quoted market prices in active markets.
- c. Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Derivative contracts: The Company has not entered into any forward contracts and swaps to manage its exposure as the Company management expect that there are nominal exposure of the Company for foreign exchange and they are capable to manage these risks.

**13** Amounts disclosed under abridged financial statements are same as that shown in the corresponding aggregated heads in the financial statement prepared in accordance with schedule III to the companies act, 2013 or as near thereto as possible

**14 Events after the reporting period**

There are no other subsequent events which require any adjustment in financial statement.

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As per our report on the abridged financial statements of even date

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

For and on behalf of the Board of Directors

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer

## **REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED CONSOLIDATED IND AS FINANCIAL STATEMENTS**

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

The accompanying abridged consolidated Ind AS financial statements, which comprise the abridged consolidated balance sheet as at March 31, 2018, the abridged consolidated statement of profit and loss (including other comprehensive income), abridged consolidated cash flow statement and abridged statement of changes in equity for the year then ended, and summary of significant accounting policies and other explanatory information, are derived from the audited consolidated Ind AS financial statements of Indag Rubber Limited (“the Company”) for the year ended March 31, 2018. We expressed an unmodified opinion on those financial statement in our report dated May 24, 2018.

The abridged consolidated Ind AS financial statements do not contain all the disclosures required by the Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of Companies Act 2013 (“the Act”) and accounting principles generally accepted in India, applied in the preparation of the audited consolidated Ind AS financial statements of the Company. Reading the abridged consolidated Ind AS financial statements, therefore, is not a substitute for reading the audited consolidated Ind AS financial statements of the Company. Those consolidated Ind AS financial statements, and the abridged consolidated Ind AS financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

### **Management’s Responsibility for the Abridged Consolidated Financial Statements**

The Company’s Board of Directors is responsible for the preparation of a summary of the audited consolidated Ind AS financial statements in accordance with Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014 and are based on the audited consolidated Ind AS financial statements for the year ended March 31, 2018, prepared in accordance with Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act and accounting principles generally accepted in India.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the abridged consolidated Ind AS financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, “Engagements to Report on Summary Financial Statements” issued by the Institute of Chartered Accountants of India.

### **Opinion**

In our opinion, the abridged consolidated Ind AS financial statements, prepared in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 are derived from the audited consolidated Ind AS financial statements of the Company for the year ended March 31, 2018 and are a fair summary of those consolidated Ind AS financial statements, in accordance with the Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act and accounting principles generally accepted in India.

### **For Khanna & Annadhanam**

Chartered Accountants  
(Firm Regn. No. 001297N)

### **(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi  
Date: May 24, 2018



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Indag Rubber Limited

#### Report on the Consolidated Ind AS Financial Statements.

We have audited the accompanying consolidated Ind AS financial statements of Indag Rubber Limited ("hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 of the consolidated Ind AS financial statements 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in term of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit, consolidated total comprehensive income, consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

## Other Matters

- a) We did not audit the financial statements and other financial information in respect of two subsidiaries, whose financial statements include total assets of Rs.2,069.10 lakhs as at March 31, 2018, total revenue of Rs.421.70 lakhs and net cash inflows amounting to Rs.11.68 lakhs for the year ended on that date as considered in the consolidated Ind AS financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, other financial information and in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.
- b) The comparative financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 in respect of two subsidiaries included in this consolidated Ind AS Financial Statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.
- c) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor, who expressed an unmodified opinion vide reports dated May 5, 2017 and April 14, 2016 respectively. The transition date opening balance sheet as at April 1, 2016 pertains only to the Holding Company as the holding subsidiary relationship did not exist on that date. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable 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 of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and report of other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group's Companies, incorporated in India, is disqualified as on March 31, 2018 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 Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- (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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 36 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India during the year ended March 31, 2018.
  - iv. The disclosures regarding details of specified bank notes held and transacted during November 08, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

**For Khanna & Annadhanam**

Chartered Accountants  
(Firm’s Regn. No. 001297N)

**(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi

Date: May 24, 2018

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Indag Rubber Limited on the consolidated financial statements as of and for the year ended March 31, 2018**

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

In conjunction with our audit of the consolidated Ind AS financial statements of Indag Rubber Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Indag Rubber Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to both the subsidiary companies incorporated in India pursuant to MCA notification GSR 583(E) dated June 13, 2017.

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

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, 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 Company's 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 Holding Company, which is a company incorporated in India, 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, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

### **For Khanna & Annadhanam**

Chartered Accountants  
(Firm's Regn. No. 001297N)

### **(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi

Date: May 24, 2018

## Abridged Consolidated balance sheet as at 31 March 2018

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	4,555.52	4,847.66	2,744.59
b. Capital work-in-progress	20.78	19.44	428.75
c. Goodwill	39.28	39.28	-
d. Other intangible assets	30.43	19.15	6.38
e. Financial assets			
i. Investments	9,882.10	6,007.19	5,312.87
ii. Loans	3.60	9.81	2.82
iii. Other financial assets	126.32	62.57	47.35
f. Income tax assets (Net)	20.00	20.00	29.90
g. Other non-current assets	4.56	31.37	46.90
<b>Total non-current assets</b>	<b>14,682.59</b>	<b>11,056.47</b>	<b>8,619.56</b>
<b>Current assets</b>			
a. Inventories	3,278.61	4,142.48	2,935.06
b. Financial assets			
i. Investments	515.28	2,965.14	3,042.13
ii. Trade receivables	2,890.12	2,942.30	3,011.70
iii. Cash and cash equivalents	352.96	424.17	246.59
iv. Bank balances other than (iii) above	245.62	255.38	184.64
v. Loans	19.90	17.75	20.77
vi. Other financial assets	694.34	639.49	506.56
c. Income tax assets (Net)	6.53	12.38	-
d. Other current assets	155.13	174.54	118.50
<b>Total current assets</b>	<b>8,158.49</b>	<b>11,573.63</b>	<b>10,065.95</b>
<b>Total assets</b>	<b>22,841.08</b>	<b>22,630.10</b>	<b>18,685.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	525.00	525.00	525.00
b. Other equity	18,156.11	17,108.54	15,177.65
<b>Equity attributable to shareholders of the company</b>	<b>18,681.11</b>	<b>17,633.54</b>	<b>15,702.65</b>
Non-controlling interest	392.97	262.31	-
<b>Total equity</b>	<b>19,074.08</b>	<b>17,895.85</b>	<b>15,702.65</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	1,180.88	1,130.74	-
b. Deferred tax liabilities (Net)	364.40	390.02	287.14
<b>Total non-current liabilities</b>	<b>1,545.28</b>	<b>1,520.76</b>	<b>287.14</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	-	362.00	-
ii. Trade payables	1,452.35	1,832.78	1,673.44
iii. Other financial liabilities	423.76	343.67	252.58
b. Provisions	108.16	99.31	74.98
c. Current income tax liabilities(Net)	63.31	54.23	41.17
d. Other current liabilities	174.14	521.50	653.55
<b>Total current liabilities</b>	<b>2,221.72</b>	<b>3,213.49</b>	<b>2,695.72</b>
<b>Total liabilities</b>	<b>3,767.00</b>	<b>4,734.25</b>	<b>2,982.86</b>
<b>Total equity and liabilities</b>	<b>22,841.08</b>	<b>22,630.10</b>	<b>18,685.51</b>

See accompanying notes to the consolidated financial statements

As per our report of even date

**For and on behalf of the Board of Directors**

**For Khanna & Annadhanam**

Chartered Accountants  
ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner  
Membership No. 502238

Place: New Delhi  
Date: May 24, 2018

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer

## Abridged Consolidated statement of profit and loss for the year ended 31 March 2018

	Year ended 31 March 2018 (Rs. / lakh)	Year ended 31 March 2017 (Rs. / lakh)
<b>I</b> Revenue from operations	17,201.22	20,524.71
<b>II</b> Other income	710.60	623.21
<b>III Total income (I+II)</b>	<b>17,911.82</b>	<b>21,147.92</b>
<b>IV Expenses</b>		
Cost of raw materials consumed	10,067.82	11,499.41
Purchase of stock in trade	15.27	29.25
Changes in inventories of finished goods, stock-in-trade and work in progress	657.88	(740.07)
Excise duty on sale of goods	386.93	2,024.75
Employee benefits expense	1,608.32	1,936.03
Finance costs	197.73	77.46
Depreciation and amortisation expense	380.30	316.95
Other expenses	2,427.95	2,805.86
<b>Total expenses (IV)</b>	<b>15,742.20</b>	<b>17,949.64</b>
<b>V Profit before tax (III-IV)</b>	<b>2,169.62</b>	<b>3,198.28</b>
<b>VI Tax expense</b>		
Current tax	646.44	901.14
Deferred tax	(73.10)	102.48
Income tax adjustment for earlier year	15.89	1.27
	<b>589.23</b>	<b>1,004.89</b>
<b>VII Profit for the year (V-VI)</b>	<b>1,580.39</b>	<b>2,193.39</b>
<b>VIII Other comprehensive income ('OCI')</b>		
i. Items that will not be reclassified subsequently to the statement of profit and loss		
a. Gain on change in fair valuation of equity instruments carried at fair value through OCI	208.49	215.32
b. Gain on sale of equity and equity related instruments	13.14	292.74
c. Remeasurement gain on defined benefit obligations (net)	24.15	1.16
	<b>245.78</b>	<b>509.22</b>
ii. Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		
a. Current tax	8.36	6.97
b. Deferred tax	47.48	0.40
	<b>55.84</b>	<b>7.37</b>
<b>Total other comprehensive income (VIII)</b>	<b>189.94</b>	<b>501.85</b>
<b>IX Total Comprehensive income for the year (VII+VIII)</b>	<b>1,770.33</b>	<b>2,695.24</b>

	Year ended 31 March 2018 (Rs. / lakh)	Year ended 31 March 2017 (Rs. / lakh)
Profit for the year attributable to:		
a) Shareholders of the company	1,576.69	2,187.29
b) Non Controlling Interest	3.70	6.10
Other Comprehensive income attributable to:		
a) Shareholders of the company	189.94	501.85
b) Non Controlling Interest	-	-
Total Comprehensive income attributable to:		
a) Shareholders of the company	1,766.63	2,689.14
b) Non Controlling Interest	3.70	6.10
<b>X Earnings per equity share</b>		
Basic and diluted (Rs.) [Nominal value of share Rs. 2]	6.01	8.33

See accompanying notes to the Consolidated Abridged Financial Statements

As per our report on the Abridged consolidated financial statements of even date

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

For and on behalf of the Board of Directors

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer



## Abridged Consolidated Statement of changes in equity for the year ended 31 March, 2018

	Amount (Rs. / lakh)
<b>a. Equity share capital</b>	
Balance as at 1 April, 2016	525.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2017</b>	<b>525.00</b>
Balance as at 1 April, 2017	525.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2018</b>	<b>525.00</b>

### b. Other equity

	Reserve and surplus				Other comprehensive income (Rs. / lakh)	Total equity attributable to share holders of the Company (Rs. / lakh)
	Capital reserve (Rs. / lakh)	Securities premium reserve (Rs. / lakh)	General reserve (Rs. / lakh)	Retained earnings (Rs. / lakh)		
<b>Balance as at 1 April, 2016</b>	0.29	450.00	1,148.80	13,815.30	(236.74)	15,177.65
Profit for the year	-	-	-	2,187.29	-	2,187.29
Other comprehensive income for the year, net of income tax	-	-	-	-	501.85	501.85
Total comprehensive income	-	-	-	2,187.29	501.85	2,689.14
Dividend paid (including taxes)	-	-	-	758.25	-	758.25
	-	-	-	1,429.04	501.85	1,930.89
<b>Balance as at 31 March, 2017</b>	0.29	450.00	1,148.80	15,244.34	265.11	17,108.54
<b>Balance as at 1 April, 2017</b>	0.29	450.00	1,148.80	15,244.34	265.11	17,108.54
Profit for the year	-	-	-	1,576.69	-	1,576.69
Other comprehensive income for the year, net of income tax	-	-	-	-	189.94	189.94
Gain on change in holding of Non-controlling interest	-	-	-	39.20	-	39.20
Total comprehensive income	-	-	-	1,615.89	189.94	1,805.83
Dividend paid (including taxes)	-	-	-	758.26	-	758.26
	-	-	-	857.63	189.94	1,047.57
<b>Balance as at 31 March, 2018</b>	0.29	450.00	1,148.80	16,101.97	455.05	18,156.11

### See accompanying notes to the Consolidated Abridged Financial Statements

As per our report on the Abridged consolidated financial statements of even date

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

For and on behalf of the Board of Directors

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer

## Abridged Consolidated Cash flow statement for the year ended 31 March 2018

	Year ended 31 March 2018 (Rs. / lakh)	Year ended 31 March 2017 (Rs. / lakh)
A. Cash flow from operating activities	1,651.06	808.23
B. Cash (used in) investing activities	(751.56)	(1,520.20)
C. Cash flow/(used in) financing activities	(970.71)	877.41
Net increase/ (decrease) in cash and cash equivalents	(71.21)	165.44
Cash and cash equivalents at the beginning of the year	424.17	246.59
Cash and cash equivalents acquired on purchase of Subsidiary	-	12.14
Cash and cash equivalents at the end of the year*	<u>352.96</u>	<u>424.17</u>

\*refer details given in note 8

As per our report on the Abridged consolidated financial statements of even date

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

For and on behalf of the Board of Directors

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer

## Notes to the abridged consolidated financial statements for the year ended 31 March 2018

(The note numbers appearing in the brackets “[ ]” are as they appear in the complete set of financial statements)

### 1. Basis of preparation

These abridged consolidated financial statements have been prepared in accordance with the requirements of Rule 10 of the Companies (Accounts) Rules, 2014. These abridged consolidated financial statements have been prepared on the basis of the complete set of consolidated financial statements for the year ended March 31, 2018.

### 2.[47] Primary Segment

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Chief Financial Officer and Chief Executive Officer, who are the Chief Operating Decision Maker. The Group is currently focused on two business “Precured Tread Rubber and allied products/services & Power Generation.

“Precured Tread Rubber and allied products/services” segment 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 and providing tyre retreading services.

“Power Generation” segment is into the business of enhancing knowledge and skills of solar technologies in India, specially the expertise in solar park development and to carry on the business of generating power supply through clean energy sub-sectors e.g., solar energy, biomass, wind, and energy efficiency projects and/or any other means, distribute, supply and sell such power either directly or through facilities or Central/State Governments or private companies or Electricity Boards to industries and to Central/State Governments.

### Operating segments

(Rs. / lakh)

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Precured Tread Rubber and allied products/ services	Power Generation	Total	Precured Tread Rubber and allied products/ services	Power Generation	Total
<b>Revenue</b>						
External sales	16,783.72	417.50	17,201.22	20,383.06	141.65	20,524.71
Inter Segment Sales	-	-	-	-	-	-
<b>Total revenue</b>	<b>16,783.72</b>	<b>417.50</b>	<b>17,201.22</b>	<b>20,383.06</b>	<b>141.65</b>	<b>20,524.71</b>
<b>Results</b>						
Segment results	1,597.26	179.38	1,776.64	2,611.69	52.54	2,664.23
Unallocated Income (net)			260.19			354.57
<b>Operating profit</b>			<b>2,036.83</b>			<b>3,018.80</b>
Interest Income			74.96			62.63
Dividend Income			251.82			187.55
Interest expenses			193.99			70.70
Income Tax			589.23			1,004.89
<b>Net Profit after tax</b>			<b>1,580.39</b>			<b>2,193.39</b>
	As at 31 March 2018			As at 31 March 2017		
Segment assets	10,374.78	2,068.92	12,443.70	11,493.10	2,164.67	13,657.77
Unallocated assets			10,397.38			8,972.33
<b>Total assets</b>	<b>10,374.78</b>	<b>2,068.92</b>	<b>22,841.08</b>	<b>11493.10</b>	<b>2164.67</b>	<b>22630.10</b>
Segment liabilities	2,387.02	199.10	2,586.12	3,087.93	153.58	3,241.51
Unallocated liabilities			1,180.88			1,492.74
<b>Total liabilities</b>	<b>2,387.02</b>	<b>199.10</b>	<b>3,767.00</b>	<b>3,087.93</b>	<b>153.58</b>	<b>4,734.25</b>
<b>Other segment information</b>						
Capital expenditure:	76.33	-	76.33	210.54	1,809.28	2,019.82
Depreciation	305.70	74.60	380.30	296.30	20.65	316.95
Other non-cash expenses	-	-	-	-	-	-

### 3.[33] Related party disclosures

Name and relationships of related-parties:

- a. Key management personnel
  - i. Mr. Nand Khemka (Chairman cum Managing Director)
  - ii. Mr. Shiv Vikram Khemka, (Non Executive Director)
  - iii. Mr. Uday Harsh Khemka, (Non Executive Director)
  - iv. Mr. K.K. Kapur (CEO and Whole Time Director)
  - v. Mr. J.K Jain (CFO)
  - vi. Mrs. Manali D. Bijlani (CS)
  - vii. Ms. Bindu Saxena (Independent Director)
  - viii. Mr. R Parameswar (Independent Director)
  - ix. Mr. P.R. Khanna (Independent Director)
  - x. Mr. Harjiv Singh (Independent Director) - till 12-09-2017
- b. Relatives of key management personnel
  - i. Mrs. Jeet Khemka, wife of Mr. Nand Khemka
  - ii. Mrs. Urvashi Khemka, wife of Mr. Shiv Vikram Khemka
  - iii. Mrs. Nitya Mohan Khemka, wife of Mr. Uday Harsh Khemka
- c. Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)
  - i. Unipatch Rubber Limited
  - ii. Khemka Aviation Private Limited
  - iii. Nand and Jeet Khemka Foundation
  - iv. Khemka & Company Private Limited
  - v. Pankaj Dilip Private Limited
  - vi. Sun Securities Limited
  - vii. Sun London Limited
  - viii. Khemka Technical Services Private Limited
  - ix. Khemka Instruments Private Limited
  - x. Youth Reach
  - xi. SRL 142 Holdings Limited
  - xii. The Nabha Foundation
- d. Affiliate Entities
  - i. SUN Alternate Energy Pvt. Ltd.
  - ii. SUN Renewable Energy Services Pvt. Ltd.

## Related party transactions

### I Transactions entered with related parties:

#### 1 Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)

##### A. Name of parties:

(Rs. / lakh)

Particulars	Year ended		Year ended		Year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Sale of goods		Purchase of goods		Rent paid	
- Unipatch Rubber Limited	92.49	85.66	0.60	0.87	-	-
- Khemka Aviation Private Limited	-	-	-	-	92.52	89.85

##### B. Name of parties:

	Reimbursement of expenses received		Dividend paid		CSR expenditure	
- Unipatch Rubber Limited	0.85	0.78	28.50	28.50	-	-
- Khemka Aviation Private Limited	1.85	2.17	150.54	150.54	-	-
- Nand and Jeet Khemka Foundation	1.31	1.47	-	-	-	-
- The Nabha Foundation	-	-	-	-	66.64	28.00
- Youth Reach	1.02	1.05	-	-	10.00	30.00
- Others	-	-	21.09	21.09	-	-

##### C. Name of parties:

	Security deposit taken		Security deposit refunded		Investments in Cumulative Compulsory Convertible preference Shares	
- Khemka Aviation Private Limited	1.00	2.00	1.00	2.00	-	-
- SRL 142 Holdings Ltd	-	-	-	-	-	1,201.95

## 2 Affiliate Entities

##### A. Name of parties :

	Issue of Compulsory convertible debentures		Interest paid on Compulsory convertible debentures		Loan Taken	
- SUN Alternate Energy Pvt. Ltd.	-	240.10	18.83	12.75	-	762.00

##### B. Name of parties :

	Loan repaid		Interest paid on loan		Legal and professional expenses	
- SUN Alternate Energy Pvt. Ltd.	362.00	400.00	2.11	22.29	-	-
- SUN Renewable Energy Services Pvt. Ltd.	-	-	-	-	-	28.75

##### C. Name of parties :

	Conversion of compulsory convertible debentures into equity shares	
- SUN Alternate Energy Pvt. Ltd.	240.10	-

(Rs. / lakh)

Particulars	Year ended		Year ended		Year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017

**3 Relatives of Key Management Personnel**

Name of parties :	Dividend paid	
- Mrs. Jeet Khemka	210.36	210.36
- Mrs. Urvashi Khemka (Joint holder with Mr. Shiv Vikram Khemka)	30.02	30.02
- Mr. Uday Harsh Khemka (Joint holder with Mrs. Nitya Mohan Khemka)	30.02	30.02

**4 Key Management Personnel**

Name of parties :	Remuneration		Sitting fees		Dividend paid	
- Mr. Nand Khemka	110.63	159.69	-	-	0.44	0.44
- Mr. Shiv Vikram Khemka	-	4.42*	-	0.40	-	-
- Mr. Uday Harsh Khemka	-	1.02*	-	0.20	-	-
- Mr. K.K. Kapur	110.63	159.69	-	-	-	-
- Mr. J.K Jain	29.61	56.08	-	-	-	-
- Mrs. Manali D Bijlani	19.60	19.95	-	-	-	-
- Ms. Bindu Saxena	4.50	4.42	3.90	1.00	-	-
- Mr. P.R. Khanna	8.07	8.75	5.90	3.50	-	-
- Mr. R. Parameswar	8.07	8.75	7.70	3.50	-	-
- Mr. Harjiv Singh	1.50	4.42	1.00	1.00	-	-

  

Name of parties :	Professional fee	
- Mr. P.R. Khanna	1.00	-

\*This represents provisions made in the previous year which has been written back during the year as the same is not payable.

**II Balances outstanding at year end : (Rs. / lakh)**

Particulars	As at			As at		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016

**1 Affiliate Entities**

**A. Name of Parties :**

	Loan payable			Issue of compulsory convertible debentures		
- SUN Alternate Energy Pvt. Ltd.	-	362.00	-	-	240.10	-

**B. Name of Parties :**

	Interest payable on loan			Interest payable on compulsory convertible debentures		
- SUN Alternate Energy Pvt. Ltd.	21.96	20.06	-	36.48	11.47	-

(Rs. / lakh)

Particulars	As at			As at		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016

## 2 Key Management Personnel

Name of Parties :	Remuneration		
- Mr. Nand Khemka	14.63	63.69	104.35
- Mr. Shiv Vikram Khemka	-	4.42*	5.71
- Mr. Uday Harsh Khemka	-	1.02*	2.80
- Mr. K.K. Kapur	15.52	68.99	120.54
- Ms. Bindu Saxena	4.50	4.42	14.20
- Mr. P.R. Khanna	8.07	8.75	14.20
- Mr. R. Parameswar	8.07	8.75	14.20
- Mr. Harjiv Singh	1.50	4.42	-

\*This represents provisions made in the previous year which has been written back during the year as the same is not payable.

## 3 Enterprises owned or significantly influenced by key management personnel or their relatives (Either individually or with others)

Name of Parties :	Trade payables			Loans and Advances		
- Khemka Aviation Private Limited	0.15	-	-	-	-	-
- Unipatch Rubber Limited	-	-	-	0.09	-	-

## 4.[34] Capital and other commitments

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. Nil, (As at 31 March, 2017 Rs. 28.79 lakh and As at 1 April, 2016 Rs. 46.10 lakh)	-	29.49	54.52
b. Other commitments			
i. Estimated future investments in Capital venture fund in terms of agreement with the fund	-	-	20.00
ii. Estimated future investments in ICICI Prudential Real Estate AIF-1 Fund in terms of agreement with the fund	-	14.00	70.00
iii. Estimated future investments in India Whizdom Fund in terms of agreement with the fund	-	100.00	160.00
iv. IIFL special opportunity fund	125.00	-	-
c. The Group has other commitments, for purchase of goods and services and employee benefits, in normal course of business.			
d. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.			
e. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.			

## 5.[36] Contingent liabilities

### a. Claims against the Group not acknowledged as debt

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
i. The Group is under litigation with the revenue authorities regarding an expenditure claimed by the Group arising out of an arbitration award. As per the Group, the expenditure should be allowed 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 Group claimed the expenditure). During the financial year 2006-2007, the Group has received a demand notice from Income tax authorities pursuant to the order by Income Tax Appellate Tribunal, Delhi. The Group is presently in appeal before the Hon'ble High Court. The Group has deposited Rs. 20.00 lakh against the above demand which is included in the 'Advance Tax' under note no. 7 to the consolidated financial statements.	159.15*	159.15*	159.15*
ii. Pending labour cases			
- in case of one employee	5.31*	5.31*	5.31*
- in case of others	<b>Liability not ascertainable</b>	Liability not ascertainable	Liability not ascertainable
iii. Demand raised by the Excise Authorities, being disputed by the Group.	6.90*	6.90*	6.90*
iv. Demand raised by the Sales Tax Authorities, being disputed by the Group.	41.39*	27.13*	25.80*
v. Entry tax demand being disputed by the Group (excluding the amount of interest and penalty, if any, which can't be determined at this stage) #	1244.68*	1227.15*	1083.43*
vi. Demand raised by Income Tax Authorities, being disputed by the Group for A.Y 2013-14	-	8.93*	8.93*
vii. Demand raised by Income Tax Authorities, being disputed by the Group for A.Y 2014-15	-	5.38*	-
<b>Total</b>	<b>1,457.43</b>	1,439.95	1,289.52

# The Group had obtained a stay of the Himachal Pradesh Government order levying entry tax on all goods entering the state with effect from 24th January, 2011. The Hon'ble High Court, Himachal Pradesh while staying the levy in an interim order, directed the Group 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. The Group has deposited Rs. 451.33 lakh till 30.06.2017 (Previous year Rs 437.46 lakh ) and furnished bank guarantees of Rs. 793.35 lakh till 30.06.2017 (Previous year Rs 770.57 lakh). 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.

While Hon'ble Supreme Court has upheld the constitutional validity of Entry Tax in their judgment dated 11 November, 2016, the issue of discrimination under Article 304(a) and scope of local area is left to be determined by respective High Courts. Hon'ble High Court, Shimla has issued notice on the writ petition filed by the Group



and ordered that bank guarantee will not be encashed and department will maintain status quo.

The entry tax has been abolished due to implementation of GST w.e.f 01.07.2017

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

**b. Others**

	<b>As at 31 March 2018 (Rs. / lakh)</b>	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
Differential amount of custom duty payable by the Group in case of non-fulfillment of export obligation excluding interest thereon against the import of capital goods made at concessional rate of duty.	<b>31.28**</b>	35.36**	35.36**

\*\* Based on future sales plan, the management is quite hopeful to meet the obligations by executing the required volume of sales in future.

- c. The Group has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Group does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- d. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**6.[37] Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

	<b>As at 31 March 2018 (Rs. / lakh)</b>	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
1 Principal amount remaining unpaid to any supplier at the end of each accounting year			
- Trade payables	<b>22.88</b>	10.94	6.27
- Payable for capital creditors	-	1.19	21.92
2 Interest due on above.	-	-	-
3 Amount of interest paid by the Group to the suppliers in terms of section 16 of the Act.	-	-	-
4 Amount paid to the suppliers beyond the respective due date.	-	-	-
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.	-	-	-
6 Amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
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.	-	-	-

## 7. [23] Revenue from operations (gross)

	Year ended 31 March 2018 (Rs. / lakh)	Year ended 31 March 2017 (Rs. / lakh)
Sale of products manufactured	16,696.32	20,256.91
Sale of traded goods	33.87	36.77
Sale of services	19.61	40.35
Sale of Power Generation	417.50	141.65
Other operational revenue	33.92	49.03
	17,201.22	20,524.71

## 8. [13] Cash and cash equivalents

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
<b>Components of cash and cash equivalents</b>			
Cash in hand	3.69	1.98	2.12
Balances with banks:			
on current accounts	294.18	345.60	142.58
on cash credit accounts	55.09	76.59	101.89
<b>Total cash and cash equivalents</b>	<b>352.96</b>	424.17	246.59

## 9. Market value of quoted and unquoted investments

	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
<b>9. [5] Non-current investments</b>			
Aggregate amount of quoted investments and market value thereof	321.06	497.44	808.28
Aggregate amount of unquoted investments (including mutual funds)	9,561.04	5,509.75	4504.59
	9,882.10	6,007.19	5,312.87
<b>9. [11] Current investments</b>			
Aggregate amount of unquoted investments	515.28	2,965.14	3,042.13
	515.28	2,965.14	3,042.13

## 10.[42] First time adoption - Transition to Ind As

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 to the consolidated financial statements have been applied in preparing these financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the period ending 31 March, 2017 and in preparation of opening Ind AS balance sheet at 1 April, 2016 ('the date of transition'). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported in financial statements prepared in accordance with the accounting standards notified under section 133 of the

Companies Act 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as 'Indian GAAP') as amended by Companies (Accounting Standard) Rules, 2016 and other relevant provisions of the act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in note 11. [43] of the financial statements.

The exemptions availed by the Group are as follows:

**i. Deemed cost for property, plant and equipment and intangible assets**

The group has elected to continue with the carrying value of all of its Property, plant and equipment and intangible assets recognized as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**ii. Equity investments at FVTOCI**

The group has designated investment in equity share, equity mutual funds, compulsory convertible preference shares, capital venture funds at FVTOCI on the basis of facts and circumstances that existed at the transition date.

### 11.[43] First Time Adoption of Ind AS reconciliations

These are the Group's first financial statements prepared in accordance with Ind AS.

The effect of the Group's transition to Ind AS is summarised in the following notes:

- i. Transition elections.
- ii. Reconciliation of equity, total comprehensive income and cash flows as reported as per Ind AS, in this financial statement with as reported in previous years as per previous Indian GAAP.

**Transition elections**

The Group has prepared the opening balance sheet as per Ind AS as of 1 April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group. The Group has applied the following transition exemptions apart from mandatory exceptions in Ind-AS 101 :

- i. Deemed cost of property, plant and equipment and other intangible assets
- ii. Designation of equity investments at FVTOCI.

**Deemed cost of property, plant and equipment and other intangible assets**

In accordance with Ind-AS transitional provisions, the Group opted to consider previous GAAP carrying value of property, plant and equipment and other intangible assets as deemed cost on transition date.

**Designation of equity investments at FVTOCI**

Ind AS 101 allows an entity to designate previously recognised financial instruments basis the facts and circumstances that existed as on transition date. The Group has elected to designate equity investments in long term investments (equity instrument and equity mutual funds) at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

## Reconciliation between Previous GAAP and Ind AS

Effect of Ind AS adoption on the financial statements as at 31.03.2017 and 01.04.2016

### A. Effect of Ind AS adoption on the balance sheet as at 31.03.2017 and 01.04.2016

	Notes	As at 31.03.2017			As at 01.04.2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
		(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)
<b>Non-current assets</b>							
Property, plant and equipment		4,847.66	-	4,847.66	2,744.59	-	2,744.59
Capital work-in-progress		19.44	-	19.44	428.75	-	428.75
Goodwill		39.28	-	39.28	-	-	-
Other intangible assets		19.15	-	19.15	6.38	-	6.38
<b>Financial assets</b>							
i. Investments	a.	5,867.29	139.90	6,007.19	5,370.23	(57.36)	5,312.87
ii. Loans		9.81	-	9.81	2.82	-	2.82
iii. Other financial assets		62.57	-	62.57	47.35	-	47.35
Income tax assets (Net)		20.00	-	20.00	29.90	-	29.90
Other non-current assets	d.	41.98	(10.61)	31.37	46.90	-	46.90
<b>Total non-current assets</b>		<b>10,927.18</b>	<b>129.29</b>	<b>11,056.47</b>	<b>8,676.92</b>	<b>(57.36)</b>	<b>8,619.56</b>
<b>Current assets</b>							
Inventories		4,142.48	-	4,142.48	2,935.06	-	2,935.06
<b>Financial assets</b>							
i. Investments	a.	2,569.91	395.23	2,965.14	2,969.40	72.73	3,042.13
ii. Trade receivables		2,942.30	-	2,942.30	3,011.70	-	3,011.70
iii. Cash and cash equivalents		424.17	-	424.17	246.59	-	246.59
iv. Bank balances other than(iii) above		255.38	-	255.38	184.64	-	184.64
v. Loans		17.75	-	17.75	20.77	-	20.77
vi. Other financial assets		639.49	-	639.49	506.56	-	506.56
Income tax assets (Net)		12.38	-	12.38	-	-	-
Other current assets	d.	175.42	(0.88)	174.54	118.50	-	118.50
<b>Total current assets</b>		<b>11,179.28</b>	<b>394.35</b>	<b>11,573.63</b>	<b>9,993.22</b>	<b>72.73</b>	<b>10,065.95</b>
<b>Total assets</b>		<b>22,106.46</b>	<b>523.64</b>	<b>22,630.10</b>	<b>18,670.14</b>	<b>15.37</b>	<b>18,685.51</b>

	Notes	As at 31.03.2017			As at 01.04.2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
		(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)
<b>Equity</b>							
Equity share capital		525.00	-	525.00	525.00	-	525.00
Other equity	a., b. & e.	16,630.99	477.55	17,108.54	15,187.46	(9.81)	15,177.65
Non Controlling Interest	c. & e.	187.05	75.26	262.31	-	-	-
<b>Total equity</b>		<b>17,343.04</b>	<b>552.81</b>	<b>17,895.85</b>	<b>15,712.46</b>	<b>(9.81)</b>	<b>15,702.65</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
i. Borrowings	c., d. & e.	1,220.10	(89.36)	1,130.74	-	-	-
Deferred tax liabilities (Net)	b.	329.83	60.19	390.02	261.96	25.18	287.14
<b>Total non current liabilities</b>		<b>1,549.93</b>	<b>(29.17)</b>	<b>1,520.76</b>	<b>261.96</b>	<b>25.18</b>	<b>287.14</b>

	Notes	As at 31.03.2017			As at 01.04.2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
		(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)	(Rs. / lakh)
<b>Current liabilities</b>							
Financial liabilities							
i. Borrowings		362.00	-	362.00	-	-	-
ii. Trade payables		1832.78	-	1,832.78	1,673.44	-	1,673.44
iii. Other financial liabilities		343.67	-	343.67	252.58	-	252.58
Other current liabilities		521.50	-	521.50	653.55	-	653.55
Provisions		99.31	-	99.31	74.98	-	74.98
Current income tax liabilities(Net)		54.23	-	54.23	41.17	-	41.17
<b>Total current liabilities</b>		<b>3,213.49</b>	<b>-</b>	<b>3,213.49</b>	<b>2,695.72</b>	<b>-</b>	<b>2,695.72</b>
<b>Total liabilities</b>		<b>4,763.42</b>	<b>(29.17)</b>	<b>4,734.25</b>	<b>2,957.68</b>	<b>25.18</b>	<b>2,982.86</b>
<b>Total equity and liabilities</b>		<b>22,106.46</b>	<b>523.64</b>	<b>22,630.10</b>	<b>18,670.14</b>	<b>15.37</b>	<b>18,685.51</b>

## B. Reconciliation of total equity as at 31 March, 2017 and 1 April, 2016

	Notes	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
Total equity (shareholders funds) under Previous GAAP		17,343.04	15,712.46
<b>Adjustments</b>			
Fair valuation of investments under Ind AS	a.	535.13	15.37
Recognition of deferred tax is on account of Ind AS adjustments	b.	(60.19)	(25.18)
Remeasurement of liability component of compound financial instruments of Non-controlling interest and finance cost	c. and e.	77.87	-
<b>Total adjustment to equity</b>		<b>552.81</b>	<b>(9.81)</b>
<b>Total equity under Ind AS</b>		<b>17,895.85</b>	<b>15,702.65</b>

### Notes

- Under the previous GAAP, investment in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.  
Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVTOCI) have been recognised in retained earnings as at the date of transition and subsequently in the statement of profit or loss. For equity instruments (including equity linked mutual funds) designated at FVTOCI resulting fair value gains and losses have been recognised in other comprehensive income.
- Deferred tax have been recognised on the adjustments made on transition to Ind AS.
- As per Ind AS Convertible debentures issued by the Group to Non-controlling interest (NCI) is bifurcated in two components - equity component and liability component which is not required in Indian GAAP and the effect of the same is adjusted in NCI.
- As per IGAAP loan processing fees are shown in prepaid expense and allocate over the period of loan, but in Ind AS the same is adjusted through borrowings.
- As per Ind AS Finance cost is calculated as per effective interest method on Compulsory convertible debenture(CCD) as against in IGAAP which is calculated as per original terms of CCD.

**C. Effect of Ind AS adoption on the Statement of profit and loss for the year ended 31 March, 2017**

	Notes	Year ended 31 March 2017		
		Previous GAAP (Rs. / lakh)	Effect of transition to Ind AS (Rs. / lakh)	As per Ind AS balance sheet (Rs. / lakh)
Revenue from operations		20,524.71	-	20,524.71
Other income	a.	611.50	11.71	623.21
<b>Total income</b>		<b>21,136.21</b>	<b>11.71</b>	<b>21,147.92</b>
<b>Expenses</b>				
Cost of raw materials consumed		11,499.41	-	11,499.41
Purchase of stock in trade		29.25	-	29.25
Changes in inventories of finished goods, stock-in-trade and work in progress		(740.07)	-	(740.07)
Excise duty on sale of goods		2,024.75	-	2,024.75
Employee benefits expense	d.	1,934.87	1.16	1,936.03
Finance costs	e.	81.39	(3.93)	77.46
Depreciation and amortisation expense		316.95	-	316.95
Other expenses		2,805.86	-	2,805.86
<b>Total expenses</b>		<b>17,952.41</b>	<b>(2.77)</b>	<b>17,949.64</b>
<b>Profit before tax</b>		<b>3,183.80</b>	<b>14.48</b>	<b>3,198.28</b>
<b>Tax expense</b>				
Current tax expenses	c.	908.11	(6.97)	901.14
Income tax adjustment for earlier years		1.27	-	1.27
Deferred tax	b.	67.86	34.62	102.48
<b>Net tax expense</b>		<b>977.24</b>	<b>27.65</b>	<b>1,004.89</b>
<b>Profit for the year</b>		<b>2,206.56</b>	<b>(13.17)</b>	<b>2,193.39</b>
Items that will not be reclassified subsequently to the statement of profit and loss				
a. Gain on change in fair valuation of equity instruments carried at fair value through OCI	a.	-	215.32	215.32
b. Gain on sale of equity and equity related instruments	a.	-	292.74	292.74
c. Remeasurement gain on defined benefit obligations (net)	d.	-	1.16	1.16
		-	<b>509.22</b>	<b>509.22</b>
Income tax relating to items that will not be reclassified subsequently to statement of profit and loss				
a. Current tax	c.	-	6.97	6.97
b. Deferred tax	c.	-	0.40	0.40
		-	<b>7.37</b>	<b>7.37</b>
Total other comprehensive income for the year		-	<b>501.85</b>	<b>501.85</b>
Total comprehensive income for the year		<b>2,206.56</b>	<b>488.68</b>	<b>2,695.24</b>

**D. Reconciliation of total comprehensive income for the year ended 31.03.2017**

	Notes	Year ended 31 March 2017 (Rs. / lakh)
<b>Profit after tax as per previous GAAP</b>		2,206.56
<b>Adjustments</b>		
Gain/(loss) on change in fair valuation of financial instruments other than equity instruments	a.	11.71
Remeasurement gain on defined benefit obligations (net)	d.	(1.16)
Remeasurement impact of finance cost of compulsory convertible debenture	e.	3.93
		<b>2,221.04</b>
<b>Less:</b>		
Tax relating Ind AS adjustments related to profit and loss	b. and c.	27.65
<b>Profit for the year as per Ind AS</b>		<b>2,193.39</b>
<b>Other comprehensive income for the year (net of tax)</b>		
Gain on change in fair valuation of equity instruments carried at fair value through OCI	a.	215.32
Gain on sale of equity and equity related instruments	a.	292.74
Remeasurement gain on defined benefit obligations (net)	d.	1.16
		<b>509.22</b>
<b>Less:</b>		
Income tax relating to items that will not be reclassified to profit or loss	c.	7.37
		<b>501.85</b>
<b>Total comprehensive income under Ind AS</b>		<b>2,695.24</b>

**E. Effect of Ind AS adoption on the Cash flow statements for the year ended 31 March, 2017**

	Year ended 31 March 2017		
	Previous GAAP (Rs. / lakh)	Effect of transition to Ind AS (Rs. / lakh)	As per Ind AS balance sheet (Rs. / lakh)
Net cash flow from operating activities	808.23	-	808.23
Net cash (used in) investing activities	(1,520.20)	-	(1,520.20)
Net cash flow from financing activities	877.41	-	877.41
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>165.44</b>	-	<b>165.44</b>
Cash and cash equivalents at the beginning of the year	246.59	-	246.59
Cash and cash equivalents acquired on purchase of subsidiary	12.14	-	12.14
Cash and cash equivalents at the end of the year	<b>424.17</b>	-	<b>424.17</b>

**F. Analysis of cash and cash equivalents as at 31 March, 2017 and as at 1 April, 2016 for the purpose of statement of cash flow under Ind AS**

	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
Cash and cash equivalents for the purpose of statement of cash flow as per previous GAAP	424.17	246.59
Cash and cash equivalents for the purpose of statement of cash flow as per Ind AS	424.17	246.59

**Notes**

- Under the previous GAAP, investment in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.  
Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVTOCI) have been recognised in retained earnings as at the date of transition and subsequently in the statement of profit or loss. For equity instruments (including equity linked mutual funds) designated at FVTOCI resulting fair value gains and losses have been recognised in other comprehensive income.
- Deferred tax have been recognised on the adjustments made on transition to Ind AS.
- Income tax with respect to the adjustments pertaining to OCI are regrouped from profit and loss to OCI.
- Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses from part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. This change does not affect total equity.
- As per IND AS Finance cost is calculated as per effective interest method on Compulsorily convertible debenture(CCD) as against in IGAAP which is calculated as per original terms of CCD.

**12.[44] Fair value measurements**

- Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis.  
Financial assets and financial liabilities are measured at fair value at the end of each reporting period. The information of the valuation techniques and the input used are as follows:

	Level	As at 31 March 2018 (Rs. / lakh)	As at 31 March 2017 (Rs. / lakh)	As at 1 April 2016 (Rs. / lakh)
<b>Measured at fair value through profit or loss</b>				
Other investments				
- non current	Level 2	3,483.07	1,563.30	1,849.91
- current	Level 2	515.28	2,965.14	3,042.13
<b>Measured at fair value through other comprehensive income</b>				
Non current investments				
Investments in Equity shares	Level 1	321.06	497.44	808.28
Investments in equity oriented mutual funds	Level 2	3,072.49	1,735.42	2,271.78
Investments in Capital venture fund (unquoted)	Level 3	536.03	233.61	106.40
Investment in Compulsory convertible preference shares (Unquoted)	Level 3	1,615.00	1,201.95	-



### Valuation technique

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- a. Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- b. Quoted equity investments: Fair value is derived from quoted market prices in active markets.
- c. Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Derivative contracts: The Company has not entered into any forward contracts and swaps to manage its exposure as the Company management expect that there are nominal exposure of the Company for foreign exchange and they are capable to manage these risks.

**13** Amounts disclosed under abridged financial statements are same as that shown in the corresponding aggregated heads in the financial statement prepared in accordance with schedule III to the companies act, 2013 or as near thereto as possible

### **14 Events after the reporting period**

There are no other subsequent events which require any adjustment in financial statement.

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As per our report on the Abridged consolidated financial statements of even date

**For Khanna & Annadhanam**

Chartered Accountants

ICAI Firm's Registration No.: 001297N

**Sanjeev Srivastava**

Partner

Membership No. 502238

Place: New Delhi

Date: May 24, 2018

For and on behalf of the Board of Directors

**Nand Khemka**

Chairman cum Managing Director

**Manali D Bijlani**

Company Secretary

**K. K. Kapur**

CEO and Whole Time Director

**J.K. Jain**

Chief Financial Officer







## Indag Rubber Limited

CIN L74899DL1978PLC009038

Regd. Off. 11, Community Centre, Saket, New Delhi-110017

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

### Attendance Slip

DP Id.		Name & Address of the registered Shareholder
Client Id/ Regd.Folio No.		
No.of Shares held		

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at the 39<sup>th</sup> Annual General Meeting of the company on Tuesday, August 14, 2018 at 10:00 a.m. Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003 and at adjournment(s) thereof.

(Signature of Member/Proxy Present)

**Note:** \* Please handover this attendance slip duly signed as a Member or Proxy, as the case may be, at the attendance registration counter at the meeting.

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## Indag Rubber Limited

CIN L74899DL1978PLC009038

Regd. Off. 11, Community Centre, Saket, New Delhi-110017

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

### Entry Pass

Folio No./DP ID & Client ID : \_\_\_\_\_

Name of the Member : \_\_\_\_\_

(Signature at Attendance Counter)

(Signature at Entry Counter)

(Authorized Signature with Rubber Stamp)

**Note :\*** Members may please note that Entry Pass will be issued only after verification of signature of the member/proxy as recorded with the Company at the computerized attendance registration counter at the meeting.



# Indag Rubber Limited

CIN L74899DL1978PLC009038

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## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L74899DL1978PLC009038
Name of the company	INDAG RUBBER LIMITED
Registered Office	11, COMMUNITY CENTRE, SAKET, NEW DELHI-110017
Name of the member (s)	
Registered Address	
Email Id	
Folio no./ Client Id/ DP Id	

I/we being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- (1) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
- (2) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
- (3) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39<sup>th</sup> Annual General meeting of the Company, to be held on Tuesday, August 14, 2018 at 10.00 a.m. at Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Number	Resolutions
<b>Ordinary Business</b>	
1	Adoption of Financial Statements for the year ended March 31, 2018 together with reports of the Auditors and Board of the Directors thereon
2	Re-appointment of Mr. Shiv Khemka, who retires by rotation.
3	Recommendation of Final Dividend for the year 2017-2018
<b>Special Business</b>	
4	Fixation of remuneration of M/s Shome & Banerjee, Cost Auditors.
5	Appointment of Mr. Harjiv Singh as an Independent Director of the company for a second term.
6	Payment of Commission not exceeding 1% to Directors other than the Managing Director/ Whole-Time Director
7	Re-classification of certain Promoter and Promoter Group shareholders of the company to Public category

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix  
Revenue  
Stamp of  
Re. 1/-

Signature of the Member: \_\_\_\_\_ Signature of Proxy holder: \_\_\_\_\_

**Note:** \* This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the aforesaid Meeting.

