

- **BOARD OF DIRECTORS**

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

**Mr. P. R. Khanna**

**Mr. R. Parameswar**

**Ms. Bindu Saxena**

**Mr. Harjiv Singh**

**Mr. Shiv Khemka**

**Mr. Uday Khemka**

**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, Dist.-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

## CONTENTS

Notice	03
Notice to Shareholders/ Investors for Unpaid Dividends	12
Board's Report	13
Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo (Annexure-I)	20
Report on Corporate Social Responsibility (Annexure-II)	21
Particulars of Employees under Section 134(3)(q) and Section 197(12) of the Companies Act, 2013 (Annexure-III)	24
Form AOC-1 (Annexure-IV)	26
Secretarial Audit Report (Annexure-V)	28
Management Discussion and Analysis Report (Annexure-VI)	32
MGT-9 (Annexure-VII)	35
Report on Corporate Governance	46
Compliance Certificate on Corporate Governance	59
Independent Auditor's Report on Abridged Standalone Ind AS Financial Statements	61
Independent Auditor's Report on Standalone Ind AS Financial Statements and Annexure(s) thereto	62
Abridged Balance Sheet	70
Abridged Statement of Profit & Loss	71
Abridged Statement of change in Equity	72
Abridged Cash Flow Statement	73
Notes to the Abridged Financial Statements	74
Independent Auditor's Report on Abridged Consolidated Ind AS Financial Statements	82
Independent Auditor's Report on Consolidated Ind AS Financial Statements and Annexure(s) thereto	83
Abridged Consolidated Balance Sheet	90
Abridged Consolidated Statement of Profit & Loss	91
Abridged Consolidated Statement of change in Equity	93
Abridged Consolidated Cash Flow Statement	94
Notes to the Abridged Consolidated Financial Statements	95

## INDAG RUBBER LIMITED

CIN: L74899DL1978PLC009038

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

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

### NOTICE

**NOTICE IS HEREBY GIVEN THAT THE FORTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDAG RUBBER LIMITED WILL BE HELD ON TUESDAY, JULY 23, 2019 AT 11:00 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 the following resolution as an **ORDINARY RESOLUTION**:
  - a) Audited standalone financial statements of the company for the financial year ended March 31, 2019.  
“RESOLVED THAT the audited standalone financial statements of the Company including the balance sheet as on March 31, 2019, 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, 2019.  
“RESOLVED THAT the audited consolidated financial statements of the Company including the balance sheet as on March 31, 2019, 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. K.K. Kapur (DIN-00745117) who retires by rotation and being eligible, offers himself for re-appointment, and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:  
“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. K.K. Kapur (DIN-00745117), 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 July 23, 2019 (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 July 16, 2019 (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 2019-2020.

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. 1,50,000/- plus 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, 2019 till March 31, 2020.”

## 5. Re-appointment of Mr. K.K. Kapur (DIN-00745117) as a Whole Time Director of the Company.

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

“RESOLVED THAT pursuant to the provision of Section 196, 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded for the re-appointment of Mr. K.K. Kapur (DIN-00745117) who has attained the age of 81 years, as Whole-Time Director (Key Managerial Personnel designated as Chief Executive Officer) of the Company for a period of 2 years with effect from June 01, 2019 upon the terms and conditions and remuneration as set out below, which may be altered, modified or varied by the Board of Directors.

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

(B) Period of Agreement: Two Years w.e.f. June 1, 2019

(C) REMUNERATION

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

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

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

3) Perquisites:

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

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

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

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

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

f. Gratuity: Gratuity shall be payable in accordance with the Payment of Gratuity Act, 1972. For this purpose, he will be deemed to have been in continuance service of the company since April 09, 2001.

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

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

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

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

Other terms and conditions:

1) The Whole Time Director shall not become interested or otherwise concerned directly or through his wife and/

or children in any buying and selling agency of the Company in future without the prior approval of the Board of Directors or subject to such other approvals as may be considered necessary.

- 2) The Whole Time Director shall not be entitled to fees payable to Directors for attendance at Board Meetings and all other Committees appointed by the Board.
- 3) The Agreement may be terminated by either party by giving to the other three-month notice of such termination. The Whole Time Director will not be entitled to any compensation for loss of office due to termination under Section 202 of the Companies Act, 2013 or otherwise.
- 4) The Whole Time Director shall exercise such power and function and on such term as the Board of Directors of the company may prescribe from time to time, it being agreed and understood that the Board shall have the power to alter, modify, revoke or withdraw all or any of the powers so conferred.
- 5) The Whole Time Director shall be liable to retire by rotation”.

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

**Manali D Bijlani**  
Company Secretary  
F4704

Place : New Delhi  
Date : April 20, 2019

## 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 40th 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 June 07, 2019 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 July 17, 2019 to July 23, 2019 (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, 2019 is proposed to be paid on and from August 06, 2019. Interim Dividend for the year 2018-2019 of Rs. 0.90/- per equity share of face value of Rs. 2/- each (45%), was declared on November 13, 2018 and paid on December 10, 2018.
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/ Client 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 40th Annual General Meeting and Annual Report for the year 2018-2019 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 40th 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, July 17, 2019 (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) The remote e-voting period shall commence on Saturday, July 20, 2019, (9:00 am) to Monday, July 22, 2019 (5:00 pm). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on July 17, 2019 (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.
- e) 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.
- f) Persons who have acquired shares and become members of the Company after dispatch of Notice of AGM but before cut-off date of July 17, 2019 may obtain their USER ID and password for remote e-voting from Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 or NSDL.
- g) Instructions for e-voting are as under-

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices, i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.



**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Members**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizer@indagrubber.com](mailto:scrutinizer@indagrubber.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- h) The Board of Directors has appointed Mr. Kanishk Arora of Kanishk Arora & Co., Practicing Company Secretary, as the Scrutinizer for conducting remote e-voting in a fair and transparent manner.
- i) 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.
- j) 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 and 5
Particulars	Mr. Kewal Krishan Kapur
DIN	00745117
Date of Birth/ Age	15-10-1937 (81 Years)
Date of first Appointment in the current designation	09-04-2001
Qualifications	Post-Graduate in Mathematics and Member of the Institute of Cost and Works Accountants of India.
Experience in specific functional areas	He has retired as Chairman cum Managing Director of GAIL in 1996. He has served in various capacities with Steel Authority of India Limited, Markfed, Petrofils, GAIL and Enron India.
Terms and condition of appointment/ re-appointment	Re-appointment as the Whole Time Director (KMP designated as Chief Executive Officer) for a period of two (2) years w.e.f. June 1, 2019.
Details of remuneration last drawn (2018-2019)	Rs. 83,99,623/-
No. of Board Meeting(s) attended during the year	9 of 9
Directorship(s) held in other entities	Sun Mobility EV Infra Pvt. Ltd (Formerly known as Alberieth EV Services Pvt. Ltd)
Membership / Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Indag Rubber Limited (Member of Stakeholder Relationship Committee)
Number of shares held in the company	Nil
Inter-se relationship between Directors and other Key Managerial Personnel	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 April 20, 2019 for the financial year 2019-2020, 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 2012-2013.

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. 1,50,000/- 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: Re-appointment of Mr. K.K. Kapur (DIN - 00745117) as a Whole Time Director.

Mr. K.K. Kapur has been re-appointed as a Whole Time Director (Key Managerial Personnel designated as Chief Executive Officer) of the company by the Board of Directors with effect from June 1, 2019, for a period of two (2) years, pursuant to the provisions of the Companies Act, 2013.

Mr. K.K. Kapur was initially appointed as Whole Time Director on April 9, 2001. Thereafter, his term of office was renewed in the year 2002, 2003, 2004, 2005, 2008, 2011 and 2016.

Mr. K.K. Kapur, aged 81 years, is a post- graduate in Mathematics and a Member of the Institute of Cost and Work Accountants of India. Mr. K.K. Kapur has an experience of over six decades and has served in various capacities with Steel Authority of India Limited, Markfed, Petrofils, GAIL and Enron India.

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

The Nomination and Remuneration Committee and the Board of Directors in their meetings held on April 20, 2019 approved the terms of appointment and remuneration of Mr. K.K. Kapur.

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

Mr. K.K. Kapur attended all the meetings of the Board of Directors which were held during the year, viz. on May 24, 2018, July 26, 2018, August 14, 2018, November 13, 2018, December 17, 2018, January 08, 2019, January 15, 2019, January 22, 2019 and February 12, 2019.

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

The Special resolution as set out in item no. 5 of the annexed notice is, therefore recommended for your approval. The Board considers that it would be in the interest of the Company to appoint Mr. K.K. Kapur as the Whole Time Director of the Company.

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

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

Place: New Delhi  
Date: April 20, 2019

**Manali D Bijlani**  
Company Secretary  
F4704

## NOTICE TO SHAREHOLDERS/INVESTORS FOR UNPAID DIVIDENDS

- 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.

- 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	Unpaid Dividend- Interim\ Final	Dividend Amount unpaid as on March 31, 2019 (in Rs.)	Number of corresponding shares of which dividend is unclaimed	Due Dates for Transfer to IEPF
2011-12	Final	3,50,941.50	3,89,935	August 20, 2019
2012-13	Interim	1,97,510.00	3,95,020	November 14, 2019
2012-13	Final	4,63,419.00	4,21,290	August 25, 2020
2013-14	Interim	3,08,619.50	4,40,885	December 04, 2020
2013-14	Final	4,96,437.50	3,81,875	August 31, 2021
2014-15	Interim	3,57,835.50	3,97,595	November 03, 2021
2014-15	Final	5,86,035.00	3,90,690	September 20, 2022
2015-16	Interim	3,81,663.00	4,24,070	December 10, 2022
2015-16	Final	6,25,810.50	4,17,207	July 02, 2023
2016-17	Interim	3,71,723.40	4,13,026	November 30, 2023
2016-17	Final	7,13,361.00	4,75,574	July 25, 2024
2017-18	Interim	4,07,768.40	4,53,076	December 17, 2024
2017-18	Final	3,62,578.50	2,41,719	September 20, 2025
2018-19	Interim	2,23,965.90	2,48,851	December 20, 2025

- 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**

- 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.
- 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).
- 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)) along with requisite fee as decided by it from time to time.

## INDAG RUBBER LIMITED

CIN: L74899DL1978PLC009038

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

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

### BOARD'S REPORT

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

The Board of Directors are pleased to present the Annual Report of the Company together with the audited standalone and consolidated Financial Statements for the year ended March 31, 2019.

#### FINANCIAL RESULTS AND STATE OF THE COMPANY'S AFFAIRS

Particulars	Standalone		Consolidated	
	2018-19 (Rs. in lakh)	2017-18 (Rs. in lakh)	2018-19 (Rs. in lakh)	2017-18 (Rs. in lakh)
Sales and other Income (net of excise duty)	17377.32	17103.19	17822.62	17524.89
Profit before Finance Cost & Depreciation	1697.95	2489.47	1968.96	2747.65
Finance Cost	25.67	20.52	166.15	197.73
Profit before Depreciation	1672.28	2468.95	1802.81	2549.92
Depreciation	314.03	305.70	388.63	380.30
Profit before tax	1358.25	2163.25	1414.18	2169.62
Profit after tax (before minority)	1057.38	1575.96	1100.67	1580.39
Profit after tax (after minority)	1057.38	1575.96	1074.56	1576.69
Transfer to General Reserve	-	-	-	--
Interim Dividend	236.25	236.25	-	-
Final Dividend	393.75	393.75	-	-

#### PERFORMANCE REVIEW

During the year under review your Company had net revenue of Rs.173.77 crores as against Rs.171.03 crores in the previous year. The Profit before finance cost and depreciation amounted to Rs.16.97 crores as against Rs. 24.89 crores in the previous year.

Profit before tax during the year worked out to Rs. 13.58 crores as compared to Rs. 21.63 crores in the previous year.

The financial results and the results of operations, including major developments have been further discussed in various sections of this report.

#### INTERNAL FINANCIAL CONTROLS

The Company has policies and procedures in place for ensuring orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The details of internal control system are given in the Management Discussion and Analysis Report.

#### 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 13, 2018 which has been paid to the members on December 10, 2018.

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 2018-19, 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 Members whose name appears on the Register of Members of the company as on close of business hours on July 23, 2019 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 July 16, 2019.

#### INVESTOR EDUCATION AND PROTECTION FUND

Dividend which was declared by the company for the year ended March 31, 2012 at the Annual General Meeting held on July 14, 2012 and remained unclaimed will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government within 30 days from August 20, 2019 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on dividend for the year ended March, 2012 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 (in Rs.)	Date on which dividend transferred to IEPF	Number of shares transferred to IEPF	Date on which shares transferred to IEPF
2010-11	Final	1,86,070.00	10.10.2018	2,500	01.10.2018
2011-12	Interim	1,16,510.00	30.11.2018	1,000	28.11.2018

Details of resultant benefit i.e. Dividend arising out of the shares already transferred to IEPF are as under-

Year	Shares already transferred to IEPF	Dividend directly transferred to IEPF (in Rs.)
2017-18 (Final)	2,06,188	3,09,282.00
2018-19 (Interim)	2,09,438	1,88,494.20

#### TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserve for the financial year ended March 31, 2019.

#### 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

Mr. Harjiv Singh was appointed as an Independent Director of the company for the second consecutive term of five (5) years from May 24, 2018 till May 23, 2023 with the approval of the Members in the Annual General Meeting held on August 14, 2018.

Pursuant to amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 consent of the members by way of special resolution through postal ballot / remote e-voting is being sought for reappointing Mr. P.R. Khanna and Ms. Bindu Saxena for a second consecutive term of five (5) years and Mr. R. Parameswar for second consecutive term of two (2) years respectively, with effect from April 1, 2019. Mr. P.R. Khanna and Mr. R. Parameswar have attained the age of 75 years and are physically fit to continue as Independent Directors. The e-voting period has commenced on March 28, 2019 and ends on April 26, 2019.

Mr. K.K. Kapur will complete his term as Whole-time Director on May 31, 2019. As recommended by the Nomination and Remuneration Committee, the Board has re-appointed Mr. K.K. Kapur as Whole-time Director (Key Managerial Personnel designated as Chief Executive Officer) for a further period of two (2) years with effect from June 1, 2019, subject to the approval of the members by way of special resolution, as Mr. Kapur has attained the age of 70 years. Mr. K.K. Kapur retires by rotation and, being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. K.K. Kapur as Whole-time Director liable to retire by rotation.

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.

Mr. J.K. Jain will complete his term as Chief Financial Officer (Key Managerial Personnel) on June 30, 2019. Based on the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board appointed Mr. J.K. Jain as Chief Financial Officer for a further period of two (2) years with effect from July 1, 2019.

### **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. The Board confirms 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/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 member, 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 and Mr. P.R. Khanna as members. The details of terms of reference of the Audit Committee member, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report.

### **VIGIL MECHANISM**

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.

### **DISCLOSURE UNDER SEXUAL HARASSMENT 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".

The company has complied with the provision relating to constitution of Internal Complaints Redressal Committee under the Act. The Internal Committee composed of internal members and an external member who has extensive experience in the field.

During the financial year 2018-2019, the details of the complaint(s) were as under-

1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Not Applicable
3.	Number of complaints pending as on end of the financial year	Nil

### 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 (Accounts) Rules, 2014 are set out in **Annexure 'I'**, which forms part of the report.

### COMMITMENT TO QUALITY AND ENVIRONMENT

Indag recognizes quality and productivity as a pre-requisite for its operations and has implemented ISO 9001:2015 standards and ISO 14001:2015 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 programs, education and better agricultural and dairy farming practices. We also continued our support to five (5) Navi Disha Schools at Nabha engaged in imparting education to under privileged students. 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 'II'** forming part of this report.

### 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 'III'**.

### SUBSIDIARIES AND JOINT VENTURE

During the year under review, your Company incorporated a Wholly Owned Subsidiary (WOS), Alberieth EV Services Private Limited(India) for entering into a new business segment of electric mobility infrastructure services. Thereafter, the Company entered into a Joint Venture Agreement with EPIC Mobility Technologies Pte Ltd. (Singapore) and SUN Mobility Pte Ltd. (Singapore) for converting Alberieth EV Services (P) Ltd (WOS) into a Joint Venture Company (JVCO), which was renamed as SUN Mobility EV Infra Private Limited (India), for leveraging capabilities and synergies of each other for electric mobility infrastructure services.

A statement containing salient features of the financial statements of the Company's subsidiary, step down subsidiary and joint venture is attached to the financial statements of the Company in Form AOC-1 as **Annexure 'IV'**.

Copies of the financial statement of the subsidiary and joint venture companies will be available on the Company's website [www.indagrubber.com](http://www.indagrubber.com). The company has framed a Policy for determining Material Subsidiary.

### 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

Secretarial Audit was conducted during the year by the Secretarial Auditors RMG & Associates, Practicing Company Secretaries. The Secretarial Audit Report is attached as **Annexure 'V'**. There are no qualifications or observations or remarks made by the Secretarial Auditors in their report.

## COST AUDITORS

Based on the recommendation of Audit Committee, the Board approved the appointment of Shome & Banerjee, Cost Accountants, as the Cost Auditors of the company for the financial year 2019-2020 at a remuneration of Rs. 1,50,000/- (One lakh Fifty Thousand) plus out of pocket expenses and taxes. The proposed remuneration of the Cost Auditors would be approved by the members in the ensuing General Meeting.

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the cost accounts and records are being made and maintained by the company.

Cost Audit Report for the financial year ended on March 31, 2018 was filed on September 10, 2018.

## 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 Notes '5 & 11' to Financial Statements, which are within the limits prescribed under Section 186 of the Companies Act, 2013.

## DEPOSIT

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

## 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 'VI'** to this Report.

## 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.

During the year under review, members accorded approval through Postal Ballot/ Remote E-voting for entering into a material related party transaction with Elcom Systems (P) Limited for sub-lease of MRO facility for a period of 9 years 6 months, with lock-in-period of 9 years, on a monthly lease rent of Rs. 36/- per sq.ft, (basic rent of Rs. 20/- per sq.ft and rent premium upto Rs.16/- per sq.ft) which was at arm's length.

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) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as prescribed in Form MGT-9 are given in **Annexure-VII**.

## 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, 2019, 98.91% 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.

## 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 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).

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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 forms part of the Annual report.

## 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.

## DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT-

	Particulars	Number of shareholders	Number of shares
A.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	179	70530
B.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	8	2000
C.	Number of shareholders to whom shares were transferred from suspense account during the year	8	2000
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	Nil	Nil
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	171	68530

## 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	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
II	Report on Corporate Social Responsibility
III	Particulars of Employees under Section 134(3)(q) and Section 197(12) of the Companies Act, 2013
IV	Form AOC-1
V	Secretarial Audit Report
VI	Management Discussion and Analysis Report
VII	MGT-9

## 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 2018-19 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.

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

Place : New Delhi  
Date : April 20, 2019

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

**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 KW 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.

SI.No.	Particulars	Amount (Rs. in lacs)
1	Capital expenditure in R&D	16.75
2	Revenue expenditure in R&D	2.39
3	Expenditure on Salary with respect to R&D	6.60

**D. Foreign Exchange Earning and Outgo**

Particulars	2018-19 (Rs. in lacs)	2017-18 (Rs. in lacs)
Foreign Exchange earned	189.89	155.81
Foreign Exchange used	179.62	51.13

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

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p><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-out-during-the-financial-year-2018-19.pdf">http://indagrubber.in/wp-content/uploads/CSR-activities-carried-out-during-the-financial-year-2018-19.pdf</a>.</p>
2	Composition of the CSR Committee	<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>
3	Average net profits of the company for last three financial years	Rs. 3,173.57 lacs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 63.47 lacs
5	Amount unspent brought forward from the Financial Year 2017-2018	Rs. 38.03 lacs
6	Total CSR budget for Financial Year 2018-2019	Rs. 101.50 lacs
7	Details of CSR spent during the financial year: <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>	<ol style="list-style-type: none"> <li>Rs. 83.66 lacs</li> <li>Rs. 17.84 lacs</li> <li>The manner in which the amount spent is detailed in the Annexure.</li> </ol>

**Manner in which the amount spent during the financial year 2018-19:**

(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.	Awareness Generation on Govt.Schemes	Healthcare, Sanitation & Agriculture	Nalagarh (HP)	Budget of Rs. 19.00 lacs for CSR projects (1) & (2)	Amount spent to create awareness on different govt.schemes	Grant of Rs. 19.00 lacs spent on CSR projects (1) & (2)	Through Youthreach
2.	Health Cube Device installation						
3.	Support to primary schools	Education	Nabha (Punjab)	Rs. 59.22 lacs	Amount spent for supporting 5 Navi Disha Schools and Girls Primary School	Donation of Rs. 59.22 lacs	Through Nabha Foundation
4.	Nalagarh Education Project	Education	Nalagarh (HP)	Rs. 2.00 lacs	Amount spent for imparting coaching facility for competitive exams to students of Govt. schools	Rs. 2.00 lacs	Direct (Incurred through SDM & Education Committee, Nalagarh)
5.	Promoting education	Education	Nalagarh (HP)	Rs. 0.24 lacs	Cash reward to rank holding students of govt.school	Rs. 0.24 lacs	Direct
6.	Contribution to Primary School	Education	Nalagarh (HP)	Rs. 0.11 lacs	Support to Govt.School	Rs. 0.11 lacs	Direct
7.	Contribution toward construction of Community Hall in Nalagarh	Social infrastructure	Nalagarh (HP)	Rs. 0.82 lacs	Donation given for construction of social infrastructure	Rs. 0.82 lacs	Direct
8.	Promote rural sports	Rural development	Nalagarh (HP)	Rs. 0.11 lacs	Contribution to District Solan Kabaddi Association	Rs. 0.11 lacs	Direct
9.	Environment Improvement	Rural & Social development	Nalagarh (HP)	Rs. 0.12 lacs	Grant given for Rural & Social improvement	Rs. 0.12 lacs	Direct
10.	Reducing inequalities among socially and economically backward groups	Promoting equality/ empowerment	Nalagarh (HP)	Rs. 1.80 lacs	Orphan children pension distribution program for upliftment of economically backward groups alongwith cash prize distribution to students of Govt. school.	Rs. 1.80 lacs	Direct
11.	Donation to National Association for the Blind	Promoting equality/ empowerment	New Delhi	Rs. 0.10 lacs	Support to Blind Association	Rs. 0.10 lacs	Direct
12.	Contribution to Chief Minister Relief Fund	Relief Fund	Nalagarh (HP)	Rs. 0.14 lacs	Disaster relief fund	Rs. 0.14 lacs	Direct
			<b>Total</b>	<b>Rs. 83.66 lacs</b>		<b>Rs. 83.66 lacs</b>	

- a) Reason for not spending the 2% of the average net profit of the last three financial years-  
Against amount of Rs. 63.47 lacs, being 2% of average net profit of last three financial years, the company has spent Rs.83.66 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 2019-20.
- 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>
---	--

### 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%;">700 : 25</td> <td style="width: 15%;">(2800%)</td> </tr> <tr> <td></td> <td>Mr. K K Kapur</td> <td>-</td> <td>783 : 25</td> <td>(3132%)</td> </tr> <tr> <td></td> <td>Mr. P R Khanna</td> <td>-</td> <td>47 : 25</td> <td>(188%)</td> </tr> <tr> <td></td> <td>Mr. R. Parameswar</td> <td>-</td> <td>43 : 25</td> <td>(172%)</td> </tr> <tr> <td></td> <td>Ms. Bindu Saxena</td> <td>-</td> <td>12 : 25</td> <td>(48%)</td> </tr> <tr> <td></td> <td>Mr. Harjiv Singh</td> <td>-</td> <td>18 : 25</td> <td>(72%)</td> </tr> <tr> <td></td> <td>Mr. Shiv Khemka</td> <td>-</td> <td>0 : 25</td> <td>(0%)</td> </tr> <tr> <td></td> <td>Mr. Uday Khemka</td> <td>-</td> <td>0 : 25</td> <td>(0%)</td> </tr> </table>	:	Mr. Nand Khemka	-	700 : 25	(2800%)		Mr. K K Kapur	-	783 : 25	(3132%)		Mr. P R Khanna	-	47 : 25	(188%)		Mr. R. Parameswar	-	43 : 25	(172%)		Ms. Bindu Saxena	-	12 : 25	(48%)		Mr. Harjiv Singh	-	18 : 25	(72%)		Mr. Shiv Khemka	-	0 : 25	(0%)		Mr. Uday Khemka	-	0 : 25	(0%)																				
:	Mr. Nand Khemka	-	700 : 25	(2800%)																																																									
	Mr. K K Kapur	-	783 : 25	(3132%)																																																									
	Mr. P R Khanna	-	47 : 25	(188%)																																																									
	Mr. R. Parameswar	-	43 : 25	(172%)																																																									
	Ms. Bindu Saxena	-	12 : 25	(48%)																																																									
	Mr. Harjiv Singh	-	18 : 25	(72%)																																																									
	Mr. Shiv Khemka	-	0 : 25	(0%)																																																									
	Mr. Uday Khemka	-	0 : 25	(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%;">(24.07%)</td> <td style="width: 15%;"></td> </tr> <tr> <td></td> <td>Mr. K K Kapur</td> <td>-</td> <td>(15.07%)</td> <td></td> </tr> <tr> <td></td> <td>Mr. P R Khanna</td> <td>-</td> <td>(30.73%)</td> <td></td> </tr> <tr> <td></td> <td>Mr. R. Parameswar</td> <td>-</td> <td>(36.68%)</td> <td></td> </tr> <tr> <td></td> <td>Ms. Bindu Saxena</td> <td>-</td> <td>(67.56%)</td> <td></td> </tr> <tr> <td></td> <td>Mr. Uday Khemka</td> <td>-</td> <td>Nil</td> <td></td> </tr> <tr> <td></td> <td>Mr. Shiv Khemka</td> <td>-</td> <td>Nil</td> <td></td> </tr> <tr> <td></td> <td>Mr. Harjiv Singh</td> <td>-</td> <td>46.00%</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>27.69%</td> <td></td> </tr> <tr> <td></td> <td>Mrs. Manali D Bijlani(CS)</td> <td>-</td> <td>11.84%</td> <td></td> </tr> </table>	<b>Directors</b>					:	Mr. Nand Khemka	-	(24.07%)			Mr. K K Kapur	-	(15.07%)			Mr. P R Khanna	-	(30.73%)			Mr. R. Parameswar	-	(36.68%)			Ms. Bindu Saxena	-	(67.56%)			Mr. Uday Khemka	-	Nil			Mr. Shiv Khemka	-	Nil			Mr. Harjiv Singh	-	46.00%		<b>Key Managerial Personnel</b>						Mr. J.K Jain(CFO)	-	27.69%			Mrs. Manali D Bijlani(CS)	-	11.84%	
<b>Directors</b>																																																													
:	Mr. Nand Khemka	-	(24.07%)																																																										
	Mr. K K Kapur	-	(15.07%)																																																										
	Mr. P R Khanna	-	(30.73%)																																																										
	Mr. R. Parameswar	-	(36.68%)																																																										
	Ms. Bindu Saxena	-	(67.56%)																																																										
	Mr. Uday Khemka	-	Nil																																																										
	Mr. Shiv Khemka	-	Nil																																																										
	Mr. Harjiv Singh	-	46.00%																																																										
<b>Key Managerial Personnel</b>																																																													
	Mr. J.K Jain(CFO)	-	27.69%																																																										
	Mrs. Manali D Bijlani(CS)	-	11.84%																																																										
(iii) the percentage increase in the median remuneration of employees in the financial year;	: 13.14%																																																												
(iv) the number of permanent employees on the rolls of company;	: 320 employees as on 31.03.2019																																																												
(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 in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	: Average Salary increase of non-managerial employees is 24.37% Average Salary decrease of managerial employees(Directors) is 19.57%																																																												
(vi) affirmation that the remuneration is as per the remuneration policy of the company.	: Remuneration paid during the year ended March 31, 2019 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, 2019.</b>											
1	Mr. Nand Khemka	Chairman cum Managing Director	0.07	Relative of Mr. Shiv Khemka and Mr. Uday Khemka	Business Head (Contractual)	84,00,000	MS in Foreign trade and masters Degree in Business Administration from Columbia University, New York, USA	02.6.1978	Over 50 years	84	Promoter and Chairman of Indag Rubber Limited since incorporation
2	Mr.K.K. Kapur	CEO & Whole Time Director	Nil	Nil	Business Head (Contractual)	83,99,623	Masters in Mathematics, CMA	09.04.2001	Over 50 years	81	Enron India Pvt. Ltd.
3	Mr. Vijay Shrivivas*	Chief Commercial Officer	Nil	Nil	Regular	83,90,765	B. Tech, MBA (IIFT)	27.04.2018	20 years	47	Arvind Ltd.
4	Mr. Bijendra Kashyap	Sr. General Manager (Plant)	Nil	Nil	Regular	42,71,191	B.Sc.	01.12.2010	43 years	66	ATC Tyre Ltd.
5	Mr. J. K. Jain	Chief Financial Officer	0.00003	Nil	Regular	37,81,280	B Com, CA	01.07.2006	43 years	74	GAIL (India) Ltd.
6	Mr. Krishan Kumar Awasthi	Sr. Deputy General Manager (Plant)	Nil	Nil	Regular	30,89,574	M.Sc Chemistry, LRI	03.03.2015	44 years	62	Continental India Ltd.
7	Mr. Anil Kumar Bhardwaj	General Manager (F&A)	0.00003	Nil	Regular	29,34,386	B.Com., CMA	01.07.2010	28 years	50	Berger Paints Ltd.
8	Mr. Arvind Dwivedi	General Manager (Sales & Marketing)	Nil	Nil	Regular	26,69,782	Dip in Elect, B.Sc, MBA	17.05.2010	28 years	52	J.K. Tyre Industries Ltd.
9	Ms. Manali D. Bijlani	Company Secretary	Nil	Nil	Regular	21,91,799	B.Sc (MICRO BIOLOGY- HONS), F.C.S., LL.B.	08.03.2004	22 years	47	Rajdoot Paints Ltd.
10	Mr. Deepak Mehta	Deputy General Manager	Nil	Nil	Regular	17,60,349	B.Tech	01.02.1981	51 years	69	Indian Army
<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										

\* Mr. Vijay Shrivivas was appointed as Chief Commercial Officer of the Company w.e.f. April 27, 2018

**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)**

SI.NO.	Particulars	Details	
		1	2
1.	Sl.No.		
2.	Name of the subsidiary	SUN-AMP Solar India (P) Limited (subsidiary of the Company)	Samyama Jyothi Solar Energy (P) Limited (Subsidiary of SUN-AMP Solar India (P) Limited)
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	(15,217,385)	8,669,141
8.	Total assets	58,275,795	188,107,376
9.	Total liabilities	193,180	123,827,105
10.	Investments	57,323,000	-
11.	Turnover	-	43,200,632
12.	Profit/(loss) before taxation	263,076	6,247,257
13.	Provision for taxation	62,362	1,201,973
14.	Profit/(loss) after taxation	200,714	5,045,284
15.	Proposed dividend	-	-
16.	% of shareholding	51%	100% 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, 2019.

- 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**

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

<b>Sl. No.</b>	<b>Name of Associates or Joint Ventures</b>	<b>Sun Mobility EV Infra Pvt. Ltd. (Joint Venture) (Formerly known as Alberieth EV Services Pvt. Ltd.)</b>
1.	Latest audited Balance Sheet Date	March 31, 2019
2.	Date on which the Associate or Joint Venture was associated or acquired	February 18, 2019
3.	Shares of Associate or Joint Ventures held by the company on the year end	
	Number of Equity shares of Rs.10/- each	100,000
	Number of Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10/- each	13,400,000
	Amount of Investment in Associates or Joint Venture	Rs. 13,50,00,000/- (Rupees Thirteen Crores Fifty Lakh Only)
	Extent of Holding (in percentage)	50% (Equity Shares) 100% (OCRPS)
4.	Description of how there is significant influence	By way of joint control
5.	Reason why the associate/joint venture is not consolidated	Consolidated
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 131,968,207/-
7.	Profit or (Loss) for the year	
	i. Considered in Consolidation	(Rs. 1,000,000/-)#
	ii. Not Considered in Consolidation	(Rs. 3,031,793/-)

# Subject to equity interest in joint venture

- Names of associates or joint ventures which are yet to commence operations.- Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year.- Not Applicable

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

**Nand Khemka**  
Chairman cum Managing Director

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

Place: New Delhi  
Date: April 20, 2019

**Manali D Bijlani**  
Company Secretary

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

## FORM NO. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

To,

The Members

Indag Rubber Limited

(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, 2019**, 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, 2019 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, 2018 **[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, 2018 [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 & 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. Further, it is recommended that for the better governance and compliance of the applicable laws to the Company, timelines prescribed in various provisions must be adhered in true letter and spirit.

**We further report that** the Company has complied with the applicable provisions of the CSR during the year under review, however the Company has proposed to carry forward the unspent amount, out of the total amount allocated for CSR activities, for the period under review, 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 during the period under review. Further, 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. As informed by the management of the Company 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.
- 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 Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above :-

1. the Board of Directors of the Company in its Meeting held on November 13, 2018 declared an interim dividend of Rs. 0.90/- per equity share of Rs. 2/- each for the Financial Year 2018-2019 and November 30, 2018 was fixed record date for this purpose.
2. As per the board resolution passed in the Board meeting held on December 17, 2018, a Wholly Owned Subsidiary of the Company has been incorporated on January 01, 2019 in the name Alberieth EV Services Private Limited. Further, the Wholly Owned Subsidiary has now become Joint Venture Company in pursuance of entering into Joint Venture Agreement between the EPIC Mobility Technologies Pte Ltd and SUN Mobility Pte Limited. The name of the Joint Venture Company has now been changed to SUN Mobility EV Infra Private Limited.
3. The members by way of postal ballot on February 22, 2019 approved a resolution authorizing the Board of Directors of the Company to enter into Material Related Party Transaction(s) with Elcom Systems Private Limited in pursuance of Section 2(76) of the Act and Regulation 2(1)(2c) of the Listing Regulations. The said Material Related Party Transaction inter alia includes sublease of State-of-Art Maintenance, Repair and Overhaul (MRO) facility at Bhiwadi (Rajasthan) to be constructed in two phases with estimated capital cost of Rupees Thirty crores (Rs. 30,00,00,000/-) admeasuring approximately 1,50,000 sq.ft. for a lease period of 9 years 6 months, with lock-in-period of 9 years, on a monthly rent of Rs.36/- per sq.ft. (basic rent of Rs.20/- per sq.ft and rent premium upto Rs.16/- per sq.ft) from the financial year 2019-2020 and onwards till the expiry of lease period, which shall be increased by 12% after every 3 years.

**For RMG & Associates**  
Company Secretaries

**CS Manish Gupta**

Partner

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

Date : April 20, 2019

Place : New Delhi

**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**

Our Secretarial Audit Report for the financial year ended March 31, 2019 of even date is to be read along with this letter:

### **Management's Responsibility**

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**For RMG & Associates**  
Company Secretaries

Date : April 20, 2019  
Place : New Delhi

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The industry witnessed a slow down due to several headwinds resulting from high fuel prices, uncertainty before general elections, liquidity crunch. The Indian tyre and retreading industry faced the burden of increase in the commodity prices. In FY 2019 there was intense shortage in domestic production of natural rubber, which widened the gap between production and consumption.

### OPPORTUNITIES AND THREATS

Government of India imposed countervailing duty as well as anti-dumping duty on imports of Chinese pneumatic tyres with the aim to safeguard domestic market. We anticipate this will help to strengthen domestic retreading industry.

The year witnessed a hastened shift towards radial tyres which has contracted the retreading market size, as radial tyres gave more miles thus reducing the availability of casings for retreading.

However, the implementation of GST and customer impetus on performance, longevity and lower cost of ownership is driving retreading traffic towards organized and branded retreaders. The GST cut on retread tyres from 28% to 18% will help retreading industry to increase their market share in replacement segment.

### 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

#### **Retreading:**

Focus by the Government on infrastructure outlay has led to improved road network. Increased awareness on handling of radial tyres will lead to lesser abuse of casing therefore bringing more tyres for retreading in the long run.

Replacement tyre demand, especially in the truck and bus segment, has slightly recovered in the last financial year supported by post-effects of Goods and Service Tax (GST), pick-up in infrastructure activities, and healthy consumption driven demand. The tyre industry as well as retreading industry is evolving and embracing latest technologies and new generation raw materials to meet the changing market dynamics.

#### **Electric Mobility:**

Government is planning to incentivise auto companies based on energy efficiency, fuel efficiency and low emission. In the coming years, the country would witness massive deployment of Electric Vehicles not only cars but buses, rickshaws and two-wheelers.

Your company had entered into a joint venture with Sun Mobility Pte Ltd, Singapore for leveraging synergies of each other for electric mobility infrastructure services, through unique interoperable EV Energy infrastructure platform and solutions. The joint venture company of Indag Rubber and SUN Mobility, "SUN Mobility EV Infra (P) Ltd" will launch its pilot project at Bengaluru in FY 2020 with swappable Smart Batteries and Quick Interchange Stations for two (2) and three (3) wheelers.

### 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 statements have been prepared in accordance with the requirement of the Companies Act, 2013 and applicable Accounting Standards issued by the Institute of Chartered Accountant of India.

(Rs. in lakh)

Sl. No.	Particulars	Year ended		Year ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Standalone		Consolidated	
1.	<b>Revenue from operations</b>	16,872.05	16,783.72	17,304.06	17,201.22
	Other income	505.27	706.40	518.56	710.60
2.	<b>Total income</b>	<b>17,377.32</b>	<b>17,490.12</b>	<b>17,822.62</b>	<b>17,911.82</b>
3.	<b>Expenses</b>				
	Cost of materials consumed	11,849.14	10,067.82	11,849.14	10,067.82
	Purchases of stock in trade	19.23	15.27	19.23	15.27
	Changes in inventories of finished goods, stock-in-trade and work in progress	(341.71)	657.88	(341.71)	657.88
	Excise duty	-	386.93	-	386.93
	Employee benefits expense	1,774.90	1,608.32	1,774.97	1,608.32
	Depreciation and amortisation expense	314.03	305.70	388.63	380.30
	Finance costs	25.67	20.52	166.15	197.73
	Other expenses	2,377.81	2,264.43	2,542.03	2,427.95
4.	<b>Total expenses</b>	<b>16,019.07</b>	<b>15,326.87</b>	<b>16,398.44</b>	<b>15,742.20</b>
5.	<b>Profit before Share of Profit/(loss) of Joint Venture and Tax</b>	<b>1,358.25</b>	<b>2,163.25</b>	<b>1,424.18</b>	<b>2,169.62</b>
6.	Share of loss of joint venture	-	-	10.00	-
7.	<b>Profit before tax</b>	<b>1,358.25</b>	<b>2,163.25</b>	<b>1,414.18</b>	<b>2,169.62</b>
8.	<b>Tax expense</b>				
	Current tax	364.32	644.50	376.96	646.44
	Deferred tax	(15.31)	(73.10)	(15.31)	(73.10)
	Income tax adjustment for earlier years	(48.14)	15.89	(48.14)	15.89
9.	<b>Total tax expense</b>	<b>300.87</b>	<b>587.29</b>	<b>313.51</b>	<b>589.23</b>
10.	<b>Profit after tax</b>	<b>1,057.38</b>	<b>1,575.96</b>	<b>1,100.67</b>	<b>1,580.39</b>
11.	<b>Other Comprehensive Income (net of tax)</b>	<b>85.50</b>	<b>189.94</b>	<b>85.50</b>	<b>189.94</b>
12.	<b>Total Comprehensive Income</b>	<b>1,142.88</b>	<b>1,765.90</b>	<b>1,186.17</b>	<b>1,770.33</b>

## 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 320 regular employees as at March 31, 2019.

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

The significant changes in the key financial ratio of the Company, which are more than 25% as compared to the previous year are as given below-

Sl. No.	Particulars	FY 2018-19	FY 2017-18	Change (%)	Explanations
(i)	Interest Coverage Ratio	53.91	106.42	(49.34%)	Due to reduction in EBIT.
(ii)	Operating Profit Margin (%)	8.20	13.32	(38.41%)	Profit margins were impacted by increased raw material prices and high employee cost on account of strengthening the sales and technical team.
(iii)	Net Profit Margin (%)	8.05	13.19	(38.98%)	Profit margins were impacted by increased raw material prices and high employee cost on account of strengthening the sales and technical team.
(iv)	Change in Return on Net Worth	5.56	8.45	(34.26%)	Profit margins were impacted by increased raw material prices and high employee cost on account of strengthening the sales and technical team.

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

**As on the financial year ended on March 31, 2019**

[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:	L74899DL1978PLC009038
ii)	Registration Date:	June 2, 1978
ii)	Name of the Company:	Indag Rubber Limited
iv)	Category/Sub-Category of the Company:	Public Company/Limited by share
v)	Address of the registered office and contact details:	Indag Rubber Limited, 11, Community Centre, Saket, New Delhi-110017 Phone. 011-26963172/73 Email: info@indagrubber.com Website: www.indagrubber.com
vi)	Whether listed company:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Skyline Financial Services Pvt. Ltd. D-153/A, 1st Floor Okhla Industrial Area, Phase -I, New Delhi-110020 Phone: 011-26812682/83 Email: admin@skylinerta.com Website: www.skylinerta.com

**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	82.59%

**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)
2	SUN Mobility EV Infra (P) Ltd. (Formerly known as Alberieth EV Services (P) Ltd.)	U74999DL2019PTC343682	Joint Venture	50%	Section 2(6)

#### IV. SHAREHOLDING 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, 2018)				No. of Equity Shares of Rs.2/- each held at the end of the year (March 31, 2019)				% 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	7459740	-	7459740	28.42	(1.39)
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>18744750</b>	<b>-</b>	<b>18744750</b>	<b>71.41</b>	<b>(1.39)</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>74.75</b>	<b>19257750</b>	<b>-</b>	<b>19257750</b>	<b>73.36</b>	<b>(1.39)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	101334	-	101334	0.39	388249	-	388249	1.48	1.09
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>101334</b>	<b>-</b>	<b>101334</b>	<b>0.39</b>	<b>388249</b>	<b>-</b>	<b>388249</b>	<b>1.48</b>	<b>1.09</b>

Category of Shareholders	No. of Equity Shares of Rs.2/- each held at the beginning of the year (April 1, 2018)				No. of Equity Shares of Rs.2/- each held at the end of the year (March 31, 2019)				% Change during the year
	Demat	Phy.	Total	% of Total Shares	Demat	Phy.	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	522954	17250	540204	2.06	978893	11250	990143	3.77	1.71
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2806976	333245	3140221	11.96	2732856	274440	3007296	11.46	(0.50)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1747549	-	1747549	6.66	1742320	-	1742320	6.64	(0.02)
c) NBFCs Registered with RBI	326400	-	326400	1.24	179131	-	179131	0.68	(0.56)
d) Others (specify)									
- N.R.I.(REPT & NON-REPT)	246626	750	247376	0.94	256314	-	256314	0.98	0.04
- Hindu Undivided Family	201838	250	202088	0.77	197191	250	197441	0.75	(0.02)
- Clearing Members	115202	-	115202	0.44	21918	-	21918	0.08	(0.36)
- Investor Education and Protection Fund Authority Ministry of Corporate Affairs	206188	-	206188	0.79	209438	-	209438	0.80	0.01
<b>Sub-total (B)(2)</b>	<b>6173733</b>	<b>351495</b>	<b>6525228</b>	<b>24.86</b>	<b>6318061</b>	<b>285940</b>	<b>6604001</b>	<b>25.16</b>	<b>0.30</b>
<b>Total Public Shareholding</b>									
<b>(B)=(B)(1)+ (B)(2)</b>	<b>6275067</b>	<b>351495</b>	<b>6626562</b>	<b>25.24</b>	<b>6706310</b>	<b>285940</b>	<b>6992250</b>	<b>26.64</b>	<b>1.40</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>25898505</b>	<b>351495</b>	<b>26250000</b>	<b>100</b>	<b>25964060</b>	<b>285940</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 Private 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 Private Ltd*	2500	0.01	Nil	2500	0.01	Nil	-

\* These four (4) entities were reclassified from “Promoters Category Shareholder” to the “Public Category Shareholder” vide BSE Letter No. LIST/ COMP/ MI/ 1091/ 2018-19 dated January 29, 2019 pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(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	74.75		
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):			3,65,688*	(1.39)
3.	At the end of the year			19257750	73.36%

\* Four (4) Promoters holding 3,65,688 shares were reclassified from “Promoters Category Shareholder” to the “Public Category Shareholder” vide BSE Letter No. LIST/ COMP/ MI/ 1091/ 2018-19 dated January 29, 2019 pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl. No. and name of the shareholder	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of equity shares of Rs.2/- each	% of total shares of the company	No. of equity shares of Rs.2/- each	% of total shares of the company
<b>i) Shivani Tejas Trivedi</b>	At the beginning of the year	6,73,233	2.56	6,73,233	2.56
Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	03.08.2018	9,589	0.04	6,82,822	2.60
	24.08.2018	25,164	0.09	7,07,986	2.70
	14.12.2018	(1,27,986)	(0.49)	5,80,000	2.21
	21.12.2018	(1,25,000)	(0.47)	4,55,000	1.73
	28.12.2018	(866)	(0.003)	4,54,134	1.73
	01.02.2019	(387)	(0.001)	4,53,747	1.73
	15.02.2019	(772)	(0.003)	4,52,975	1.73
	22.02.2019	(22,543)	(0.05)	4,30,432	1.64
	15.03.2019	(597)	(0.08)	4,29,835	1.64
29.03.2019	(17,654)	(0.06)	4,12,181	1.57	
	At the end of the year (or on the date of separation, if separated during the year)			<b>4,12,181</b>	<b>1.57</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 Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	06.04.2018	(10,795)	(0.04)	3,09,205	1.18
	08.06.2018	(10,000)	(0.04)	2,99,205	1.14
	15.06.2018	(39)	(0.0001)	2,99,166	1.14
	22.06.2018	(6,853)	(0.03)	2,92,313	1.11
	13.07.2018	(10,000)	(0.04)	2,82,313	1.08
	20.07.2018	(22,394)	(0.08)	2,59,919	0.99
	24.08.2018	(30,974)	(0.12)	2,28,945	0.87
	07.09.2018	(10,040)	(0.04)	2,18,905	0.83
	28.09.2018	(25)	(0.0001)	2,18,880	0.83
	05.10.2018	(4,772)	(0.02)	2,14,108	0.82
	12.10.2018	(280)	(0.001)	2,13,828	0.81
	26.10.2018	(10,000)	(0.04)	2,03,828	0.78
	21.12.2018	(9,000)	(0.03)	1,94,828	0.74
	28.12.2018	(11,197)	(0.04)	1,83,631	0.70
	04.01.2019	(4,500)	(0.02)	1,79,131	0.68
	At the end of the year (or on the date of separation, if separated during the year)			<b>1,79,131</b>	<b>0.68</b>

<b>iii) Tejas Bhalchandra Trivedi</b>	At the beginning of the year	2,52,376	0.96	2,52,376	0.96
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	20.07.2018	1,550	0.006	2,53,926	0.97
	21.12.2018	2,52,986	0.96	5,06,912	1.93
	At the end of the year (or on the date of separation, if separated during the year)			<b>5,06,912</b>	<b>1.93</b>
<b>iv) Priya Singh Aggarwal</b>	At the beginning of the year	2,37,500	0.90	2,37,500	0.90
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	25.05.2018	(7,776)	(0.03)	2,29,724	0.88
	08.06.2018	(2,000)	(0.007)	2,27,724	0.87
	15.06.2018	(500)	(0.002)	2,27,224	0.87
	At the end of the year (or on the date of separation, if separated during the year)			<b>2,27,224</b>	<b>0.87</b>
<b>v) Kashish Jain</b>	At the beginning of the year	2,07,887	0.79	2,07,887	0.79
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	20.04.2018	3,828	0.01	2,11,715	0.81
	16.11.2018	64,985	0.25	2,76,700	1.05
	At the end of the year (or on the date of separation, if separated during the year)			<b>2,76,700</b>	<b>1.05</b>
<b>vi) Paramjit Mann</b>	At the beginning of the year	1,36,003	0.52	1,36,003	0.52
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	11.05.2018	4,828	0.02	1,40,831	0.54
	18.05.2018	257	0.001	1,41,088	0.54
	25.05.2018	6,106	0.02	1,47,194	0.56
	01.06.2018	5,000	0.02	1,52,194	0.58
	15.06.2018	7,057	0.03	1,59,251	0.61
	17.08.2018	(522)	(0.002)	1,58,729	0.60
	24.08.2018	(1,150)	(0.004)	1,57,579	0.60
	21.09.2018	(156)	(0.0006)	1,57,423	0.60
	14.12.2018	(1,550)	(0.006)	1,55,873	0.59
	25.01.2019	(1,500)	(0.006)	1,54,373	0.59
	01.02.2019	(2,035)	(0.007)	1,52,338	0.58
	15.03.2019	(2,700)	(0.01)	1,49,638	0.57
		At the end of the year (or on the date of separation, if separated during the year)			<b>1,49,638</b>



<b>vii) Misbah Jan .</b>	At the beginning of the year	1,11,400	0.42	1,11,400	0.42
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	22.06.2018	(1,100)	(0.004)	1,10,300	0.42
	03.08.2018	(1,803)	(0.007)	1,08,497	0.41
	19.10.2018	(1)	(0.000004)	1,08,496	0.41
	26.10.2018	(996)	(0.003)	1,07,500	0.41
	09.11.2018	(451)	(0.002)	1,07,049	0.41
	16.11.2018	(1,549)	(0.006)	1,05,500	0.40
	At the end of the year (or on the date of separation, if separated during the year)			<b>1,05,500</b>	<b>0.40</b>
<b>viii) Gymkhana Partners L.P.</b>	At the beginning of the year	1,01,334	0.39	1,01,334	0.39
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	06.04.2018	14,486	0.05	1,15,820	0.44
	18.05.2018	9,004	0.03	1,24,824	0.48
	01.06.2018	12,076	0.04	1,36,900	0.52
	08.06.2018	12,750	0.05	1,49,650	0.57
	29.06.2018	17,050	0.06	1,66,700	0.64
	06.07.2018	15,600	0.06	1,82,300	0.69
	24.08.2018	4,566	0.02	1,86,866	0.71
	07.09.2018	16,534	0.06	2,03,400	0.77
	05.10.2018	16,800	0.06	2,20,200	0.84
	12.10.2018	22,039	0.08	2,42,239	0.92
	26.10.2018	4,634	0.02	2,46,873	0.94
	02.11.2018	14,641	0.05	2,61,514	1.00
	07.12.2018	14,087	0.05	2,75,601	1.05
	14.12.2018	12,874	0.05	2,88,475	1.10
	25.01.2019	5,834	0.02	2,49,309	1.12
	08.02.2019	13,070	0.05	3,07,379	1.17
	15.02.2019	5,557	0.02	3,12,936	1.19
	22.02.2019	36,264	0.14	3,49,200	1.33
	01.03.2019	16,246	0.06	3,65,446	1.39
	15.03.2019	6,616	0.02	3,72,062	1.42
29.03.2019	16,187	0.06	3,88,249	1.48	
	At the end of the year (or on the date of separation, if separated during the year)			<b>3,88,249</b>	<b>1.48</b>
<b>ix) Edelweiss Broking Limited</b>	At the beginning of the year	78,072	0.30	78,072	0.30
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	06.04.2018	(34)	(0.0001)	78,038	0.30
	13.04.2018	(1,800)	(0.007)	76,238	0.29
	20.04.2018	(1,828)	(0.007)	74,410	0.28
	27.04.2018	(3,572)	(0.01)	70,83	0.27
	04.05.2018	(6)	(0.00002)	70,832	0.27
	11.05.2018	115	0.0004	70,947	0.27
	25.05.2018	(70,909)	(0.27)	38	0.0001
	01.06.2018	33	0.0001	71	0.0003
	08.06.2018	34	0.0001	105	0.0004
	15.06.2018	2	0.000007	107	0.0004
	22.06.2018	52	0.0002	159	0.0006
	29.06.2018	2	0.000007	161	0.0006

	06.07.2018	2	0.000007	163	0.0006
	13.07.2018	(6)	(0.00002)	157	0.0006
	20.07.2018	92	0.0003	249	0.0009
	27.07.2018	100	0.0004	349	0.001
	03.08.2018	86	0.0003	435	0.001
	07.08.2018	(4)	(0.00001)	431	0.001
	10.08.2018	10	0.00004	441	0.001
	24.08.2018	815	0.003	1,256	0.005
	31.08.2018	4,648	0.02	5,904	0.02
	07.09.2018	3,847	0.01	9,751	0.04
	14.09.2018	(7,069)	(0.03)	2,682	0.01
	21.09.2018	(1,321)	(0.005)	1,361	0.005
	28.09.2018	(569)	(0.002)	792	0.003
	05.10.2018	(75)	(0.0003)	717	0.003
	12.10.2018	(50)	(0.0002)	667	0.002
	23.11.2018	(598)	(0.002)	69	0.0002
	07.12.2018	1,000	0.004	1,069	0.004
	11.01.2019	(1,000)	(0.004)	69	0.0003
	15.02.2019	1,440	0.005	1,509	0.006
	22.02.2019	(1,499)	(0.005)	10	0.00004
	08.03.2019	25	0.0001	35	0.0001
	At the end of the year (or on the date of separation, if separated during the year)			<b>35</b>	<b>0.0001</b>
<b>x) Anshu Govil</b>	At the beginning of the year	75,000	0.28	75,000	0.28
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No change	No change	No change	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>

**(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
Total (i+ii+iii)	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
<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	84,00,000	82,96,623	1,66,96,623
	(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	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>84,00,000</b>	<b>83,99,623</b>	<b>1,67,99,623</b>
	<b>Ceiling as per the Act</b>	<b>84,00,000</b>	<b>84,00,000</b>	<b>1,68,00,000</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	
<b>1</b>	<b>Independent Directors</b>					
	• Fee for attending Board / Committee Meetings	13,40,000	13,80,000	8,50,000	5,50,000	41,20,000
	• Commission	5,59,000	5,11,000	2,19,000	1,46,000	14,35,000
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>					<b>55,55,000</b>
<b>2</b>	<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>Nil</b>
	<b>Total (B)=(1+2)</b>					<b>55,55,000</b>
	<b>Total Managerial Remuneration</b>					<b>14,35,000</b>
	<b>Overall Ceiling as per the Act</b>					<b>14,35,000</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	35,45,853	19,59,348	55,05,201
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	88,374	1,20,774
	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	1,91,339	1,27,277	3,18,616
	- Incentive	-	-	-
	- Bonus	11,688	16,800	28,488
	<b>Total</b>	<b>37,81,280</b>	<b>21,91,799</b>	<b>59,73,079</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

## 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, 2019, the Board comprised of eight directors, which include two executive directors and six non-executive directors. The Board is primarily responsible for the overall management of the Company's business.

The composition of the Board of Directors as on March 31, 2019 with their attendance at the Board Meetings held during the year 2018-2019 and at the last Annual General Meeting is given below:

DIN	Name of the Directors	Number of Board Meetings attended during F.Y. (18-19)	Attendance at the last AGM held on 14.08.2018	Relationship with other Directors	Number of shares and convertible instruments held by Non-Executive Directors
00211084	Mr. Nand Khemka (Chairman cum Managing Director)	7/9	Yes	Relative of Mr. Shiv Khemka and Mr. Uday Khemka	-
00048800	Mr. P.R. Khanna	9/9	Yes	Nil	Nil
01879913	Mr. R. Parameswar	9/9	Yes	Nil	Nil
00167802	Ms. Bindu Saxena	5/9	Yes	Nil	Nil
00507695	Mr. Harjiv Singh	8/9	Yes	Nil	Nil
00323609	Mr. Uday Khemka	3/9	No	Relative of Mr. Nand Khemka and Mr. Shiv Khemka	12,50,750 (Joint holding with Mrs. Nitya Khemka)
01214671	Mr. Shiv Khemka	3/9	No	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)	9/9	Yes	Nil	-

**Present Directorship in other Companies and Committee Position (Including Indag Rubber Limited)-**

Sl. No.	Name of Director	Number of Directorship held in Public Companies (including Indag)*	Directorship held in Public Companies and Committee Position(s)			
			Name of the company	Listed or Non-Listed	Committee(s)**	Position
1.	Mr. Nand Khemka	2	Indag Rubber Limited Executive (Interested)	Listed	Audit Committee Stakeholder Relationship Committee	Member Member
			Unipatch Rubber Limited Non-Executive (Interested)	Non-Listed	Nil	Nil
2.	Mr. P.R. Khanna	4	Indag Rubber Limited Non-Executive (Independent)	Listed	Audit Committee	Member
			DCM Shriram Industries Limited Non-Executive (Independent)	Listed	Audit Committee Stakeholder Relationship Committee	Chairman Chairman
			Uniproducts (India) Limited Non-Executive (Independent)	Non-Listed	Audit Committee	Chairman
			C&S Electric Limited Non-Executive (Independent)	Non-Listed	Audit Committee	Member
3.	Mr. R. Parameswar	1	Indag Rubber Limited Non-Executive (Independent)	Listed	Audit Committee Stakeholder Relationship Committee	Chairman Chairman
4.	Ms. Bindu Saxena	2	Inox Wind Limited Non-Executive (Independent)	Listed	Audit Committee	Member
			Indag Rubber Limited Non-Executive (Independent)	Listed	Nil	Nil
5.	Mr. Harjiv Singh	1	Indag Rubber Limited Non-Executive (Independent)	Listed	Nil	Nil
6.	Mr. Shiv Khemka	1	Indag Rubber Limited Non-Executive (Interested)	Listed	Nil	Nil
7.	Mr. Uday Khemka	1	Indag Rubber Limited Non-Executive (Interested)	Listed	Nil	Nil
8.	Mr. K.K. Kapur	1	Indag Rubber Limited Executive (Interested)	Listed	Stakeholder Relationship Committee	Member

\* 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.

**(b) Board Meetings**

Nine meetings of the Board of Directors were held during the year, viz. on May 24, 2018, July 26, 2018, August 14, 2018, November 13, 2018, December 17, 2018, January 08, 2019, January 15, 2019, January 22, 2019 and February 12, 2019.

**(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 January 08, 2019. 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-2018-19.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 2018-2019 has been completed.

**(f) Skill/ expertise/ competence of the Board of Directors**

The Board comprises qualified members who bring in the required skill, competence and expertise that allow them to make effective contribution to the Board and its Committees.

The table below summarizes the list of core skills/expertise/competencies identified by the Board of Directors desired in the context of the business(es) and sector(s) of the Company for it to function effectively and those actually available with the Board:

Skill area	Description	Number of Directors having particular skills
Financials	<ul style="list-style-type: none"> <li>Qualification and experience in accounting and/ or finance and the ability to understand key financial statements, financial viability and performance, strategic financial planning, budgets and resources</li> </ul>	6
Global Business	<ul style="list-style-type: none"> <li>Experience in driving business in markets around the world.</li> <li>Understanding of diverse business environments, economic conditions, cultures and regulatory frameworks.</li> </ul>	4
Leadership and Strategic Planning	<ul style="list-style-type: none"> <li>Ability to understand organization, processes, strategic planning and risk management.</li> <li>Experience in developing talent, succession planning and driving change and long term growth.</li> </ul>	8
Technology and Innovation	<ul style="list-style-type: none"> <li>Knowledge of technological trends in Auto and Tyre industry,</li> <li>Generates disruptive innovation and extends or creates new business models.</li> </ul>	4
Legal and Governance	<ul style="list-style-type: none"> <li>Ability to protect shareholders' interests and observe appropriate governance practices.</li> <li>Monitor risk and compliance management system including legal framework.</li> </ul>	8
Sales and Marketing	<ul style="list-style-type: none"> <li>Experience in developing strategies to grow sales and market share, build brand awareness and enhance enterprises reputation.</li> </ul>	5



- (g) All the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations and are independent of the management.
- (h) During the year, no Independent Director has resigned before the expiry of his tenure.

### 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, 2019 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.

Seven meetings of the Audit Committee were held during the year viz. on May 23, 2018, July 26, 2018, August 13, 2018, November 12, 2018, January 08, 2019, January 15, 2019 and February 11, 2019 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	7 of 7
Mr. P. R. Khanna	Member	Non-Executive Independent Director	7 of 7
Mr. Nand Khemka	Member	Executive Promoter Director	4 of 7

### 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 and the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing 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 24, 2018 and February 12, 2019. 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	0 of 2
Mr. Nand Khemka	Member	Executive Promoter Director	2 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 as 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 2018-19.

**(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/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 39th Annual General Meeting of the Company held on August 14, 2018, 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 2018-19 are given below-

Name of Director	Salary (in Rs.)	Perquisite (in Rs.)	Sitting fee (in Rs.)	Bonus/ Profit related commission for the year 2018-19 (in Rs.)	Total (in Rs.)
<b>Category A-Executive Directors</b>					
Mr. Nand Khemka Chairman cum Managing Director	84,00,000	-	-	-	84,00,000
Mr. K.K. Kapur CEO & Whole Time Director	82,96,623	1,03,000	-	-	83,99,623
<b>Category B- Non Executive Directors</b>					
Mr. P.R. Khanna Independent Director	-	-	13,40,000	5,59,000	18,99,000
Mr. R. Parameswar Independent Director	-	-	13,80,000	5,11,000	18,91,000
Ms. Bindu Saxena Independent Director	-	-	5,50,000	1,46,000	6,96,000
Mr. Harjiv Singh Independent Director	-	-	8,50,000	2,19,000	10,69,000
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	2 of 2
2	Mr. Nand Khemka	Executive (Interested)	2 of 2
3	Mr. K.K. Kapur	Executive (Interested)	2 of 2

(iii) No. of investors' complaints received by the RTA/ Company during the year: Nil

No. of complaints not solved to the satisfaction of shareholders during the year: Nil

No. of complaints pending as at March 31, 2019: 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
37th	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.
38th	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.
39th	Tuesday	August 14, 2018	10:00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	<ol style="list-style-type: none"> <li>Appointment of Mr. Harjiv Singh (DIN-00507695) as an Independent Director of the Company for second term</li> <li>Re-classification of certain Promoters and Promoter Group category shareholders to Public category shareholders.</li> </ol>

### (b) Details on Postal Ballot

Sl. No.	Particular	Status												
1.	Whether any special resolution passed last year through postal ballot - details of voting pattern	<p>No special resolution was passed last year through postal ballot.</p> <p><b>ORDINARY RESOLUTION</b></p> <p>During the year under review, Postal Ballot Notice dated January 15, 2019 was sent to the Members seeking their approval on an Ordinary Resolution for Material Related Party Transaction(s) with Elcom Systems Pvt. Ltd. for entering into sublease of Maintenance, Repair and Overhaul (MRO) facility at Bhiwadi (Rajasthan) for a lease period of 9 years 6 months, with lock-in-period of 9 years on a monthly rent of Rs.36/- per sq. ft.</p> <p>The details of voting pattern were as under-</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Votes in Favour</th> <th>Votes Against</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Public</td> <td>14,67,490</td> <td>4,33,692</td> </tr> <tr> <td><b>Total</b></td> <td><b>14,67,490 (77.188%)</b></td> <td><b>4,33,692 (22.811%)</b></td> </tr> </tbody> </table> <p>The resolution passed with the requisite majority on February 22, 2019.</p>	Category	Votes in Favour	Votes Against	Promoters	Nil	Nil	Public	14,67,490	4,33,692	<b>Total</b>	<b>14,67,490 (77.188%)</b>	<b>4,33,692 (22.811%)</b>
Category	Votes in Favour	Votes Against												
Promoters	Nil	Nil												
Public	14,67,490	4,33,692												
<b>Total</b>	<b>14,67,490 (77.188%)</b>	<b>4,33,692 (22.811%)</b>												
2.	Person who conducted the postal ballot exercise	Mr. Kanishk Arora, FCS No.-9575, CP No.-13253, Practicing Company Secretary, of Kanishk Arora & Associates, was appointed as Scrutinizer for conducting the Postal Ballot exercise.												
3.	Whether any special resolution is proposed to be conducted through postal ballot	<p>During the year under review, the Company is in the process of seeking approval on three (3) Special Resolutions through Postal Ballot/remote E-voting for Re-appointment of Independent Director(s)-</p> <ol style="list-style-type: none"> <li>Re-appointment of Mr.P.R.Khanna (DIN-00048800) as an Independent Director for a second consecutive term of five (5) years w.e.f. April 01, 2019.</li> </ol>												

Sl. No.	Particular	Status
		2. Re-appointment of Mr. R. Parameswar (DIN-01879913) as an Independent Director for a second consecutive term of two (2) years w.e.f April 01, 2019. 3. Re-appointment of Ms. Bindu Saxena (DIN-00167802) as an Independent Director for a second consecutive term of five (5) years w.e.f April 01, 2019.
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 www.indagrubber.com
d.	Whether website displays official news release	Financial information, shareholding pattern, codes & polices etc are updated on website www.indagrubber.com
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 : July 23, 2019  
 Time : 11:00 A.M.  
 Venue : Sai International Centre, Pragati Vihar,  
 Lodhi Road, New Delhi-110003

**ii) Financial Year** : April 01, 2018 to March 31, 2019

**iii) Dividend Payment Date** : August 06, 2019

**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 2018-19**

The details of Monthly High and Low price(s) on Bombay Stock Exchange for the financial year 2018-19 are as under:

Month	Monthly High	Monthly Low	S&P BSE SENSEX Monthly High	S&P BSE SENSEX Monthly Low
April, 2018	184.30	164.20	35,213.30	32,972.56
May, 2018	170.00	144.00	35,993.53	34,302.89
June, 2018	157.75	131.05	35,877.41	34,784.68
July, 2018	162.00	125.25	37,644.59	35,106.57
August, 2018	159.65	132.20	38,989.65	37,128.99
September, 2018	139.90	117.00	38,934.35	35,985.63
October, 2018	126.40	107.25	36,616.64	33,291.58
November, 2018	120.80	93.00	36,389.22	34,303.38
December, 2018	128.00	105.10	36,554.99	34,426.29
January, 2019	121.00	102.20	36,701.03	35,375.51
February, 2019	110.95	93.00	37,172.18	35,287.16
March, 2019	107.90	99.90	38,748.54	35,926.94

**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, 1st 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 weekly. 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, 2019:**

No. of equity shares held	Number of Shareholder	% to total numbers	Share holding amount (Rs.)	% to total amount
Up To 5,000	5553	95.76	3332288	6.35
5,001 To 10,000	101	1.74	762064	1.45
10,001 To 20,000	60	1.03	862798	1.64
20,001 To 30,000	28	0.48	681668	1.30
30,001 To 40,000	13	0.22	463832	0.88
40,001 To 50,000	4	0.07	185424	0.35
50,001 To 1,00,000	18	0.31	1345280	2.56
1,00,000 and Above	22	0.38	44866646	85.46
<b>Total</b>	<b>5799</b>	<b>100</b>	<b>52500000</b>	<b>100</b>

**xi) Categories of Shareholding as on March 31, 2019:**

Category	No. of Shares held	% of Shareholding
<b>Promoter and Promoter Group</b>		
Individuals	11285010	42.99
Bodies Corporate-Indian	7459740	28.42
Bodies Corporate- Foreign	513000	1.95
<b>Public</b>		
Individuals shareholders	4749616	18.09
Bodies Corporate	921613	3.51
NBFCs Registered with RBI	179131	0.68
Non Resident Indians	256314	0.98
Resident Indian HUF	197441	0.75
Clearing Members/ House	21918	0.08
Foreign Portfolio Investors	388249	1.48
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	209438	0.80
Unclaimed Suspense Account	68530	0.26
<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, 2019, a total of 2,59,64,060 equity shares which form 98.91% 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, 1st 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

#### xvii) Credit Risk Rating

During the financial year 2018-2019, the Company has obtained credit rating from ICRA, which has affirmed long term rating of “[ICRA] A (Stable)” on Rs. 8 crores(long term fund based) and also affirmed a short-term rating of “[ICRA]A1” on Rs. 47 crores[(including Rs. 2 crore unallocated limits) non fund based facilities].

#### X. Other Disclosures

- a. During the financial year ended March 31, 2019 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- b. 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.
- c. The Company has announced Whistle Blower policy. All the personnel of the company have the access to the Audit Committee.
- d. The Company has complied with the mandatory requirements of the SEBI (LODR) Regulations, 2015 and has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- e. 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/wp-content/uploads/Policy-for-determining-Material-Subsidiary.pdf>.
- f. 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/wp-content/uploads/Policy-on-Materiality-of-Related-Party-Transaction.pdf>.
- g. The Company did not engage in commodity hedging activities.
- h. The Company has not raised funds through preferential allotment or qualified institution placements as specified under Regulation 32(7A).
- i. A certificate from RMG & Associates, Practicing Company Secretaries is enclosed as Annexure-A certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, except Mr. Harjiv Singh, Independent Director who 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.
- j. The Board had accepted recommendations, if any, of the Committee(s).
- k. During the year, a total fees was paid to the Statutory Auditor by the Company and its Subsidiaries are given below-

Sl. No.	Name	Amount (in Rs.)
1.	Indag Rubber Limited	26,38,116
2.	Sun-AMP Solar India Pvt. Ltd	Nil
3.	Samyama Jyothi Solar Energy Pvt. Ltd	Nil
	<b>Total</b>	<b>26,38,116</b>



**I. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the financial year 2018-2019, the details of the complaint were as under-

1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Not Applicable
3.	Number of complaints pending as on end of the financial year	Nil

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

**XII. ADOPTION OF DISCRETIONARY REQUIREMENTS**

**A. The Board**

The company has an executive chairperson.

**B. Shareholder Rights**

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

**C. Modified opinion(s) in Audit Report**

There was no audit qualification in the Auditors' Report on the Company's financial statements.

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

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

**E. 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. The company has fully complied with the applicable requirement specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Annual Compliance with the Code of Conduct for the Financial Year 2018-2019**

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, 2019 from all the Board Members and Senior Management Personnel.

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

Date : April 20, 2019  
Place : New Delhi

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

**CERTIFICATE**

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members  
Indag Rubber Limited  
(CIN: L74899DL1978PLC009038)  
11, Community Centre, Saket,  
New Delhi - 110017**

We have examined the relevant registers, records, forms and returns maintained / filed by **Indag Rubber Limited** (CIN: L74899DL1978PLC009038) having its Registered Office at 11, Community Centre, Saket, New Delhi - 110017 (hereinafter referred to as "the Company") and notices and disclosures received from the Directors of the Company and produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as on March 31, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority. However, name of Mr. Harjiv Singh (DIN: 0507695), Independent Director of the Company, appeared in the list of disqualified Directors, as issued by the Registrar of the Companies on 12th September, 2017 under the provisions of Section 167(1)(a) read with Section 164(2) of the Companies Act, 2013. Further, the concerned 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 Mr. Harjiv Singh (DIN: 0507695) was concerned.

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

**For RMG & Associates**  
Company Secretaries

Date : April 20, 2019  
Place : New Delhi

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

## COMPLIANCE CERTIFICATE

To

**The Members  
Indag Rubber Limited  
(CIN: L74899DL1978PLC009038)  
11, Community Centre, Saket  
New Delhi - 110017**

We have examined the compliance of conditions of Corporate Governance by Indag Rubber Limited ('the Company'), for the year ended on March 31, 2019, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For RMG & Associates**  
Company Secretaries

Date : April 20, 2019  
Place : New Delhi

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



## 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
--	---

#### **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 FINANCIAL STATEMENTS**

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

#### **Opinion**

The abridged standalone financial statements, which comprise the abridged balance sheet as at 31<sup>st</sup> March 2019, the abridged statement of profit and loss, the abridged statement of changes in equity and abridged cash flow statement for the year then ended, and related notes, are derived from the audited standalone financial statements of Indag Rubber Limited for the year ended 31<sup>st</sup> March, 2019.

In our opinion, the accompanying abridged standalone financial statements are a fair summary of the audited standalone financial statements, in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 and the accounting principles generally accepted in India.

#### **Abridged Standalone Financial Statements**

The abridged standalone financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Companies Act, 2013 applied in the preparation of the audited standalone financial statements of Indag Rubber Limited. Reading the abridged standalone financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited standalone financial statements and the auditor's report thereon. The abridged standalone financial statements and the audited standalone financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited standalone financial statements.

#### **The Audited Standalone Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited standalone financial statements in our report dated 20<sup>th</sup> April 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

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

The Board of Directors of the Company is responsible for the preparation of the abridged standalone financial statements in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 and the accounting principles generally accepted in India.

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

Our responsibility is to express an opinion on whether the abridged standalone financial statements are a fair summary of the audited standalone financial statements based on our procedures, which were conducted in accordance with the Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" 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: April 20, 2019

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Indag Rubber Limited

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

#### Opinion

We have audited the standalone financial statements of **Indag Rubber Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, the profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

The key audit matters	How the matter was addressed in our audit
<b>Investments</b>	
<p>The Company held current and non-current investments aggregating to Rs.9910.38 lakhs as on 31<sup>st</sup> March 2019. We have determined that fair valuation of investments is a key audit matter, specially relating to investment of Rs.1383.43 lakhs in SRL 142 Holdings Ltd. (SRL) by way of fully paid up compulsorily convertible preference shares. SRL has interest in oil production and exploration Company in Nigeria.</p> <p>The oil industry is exposed significantly to macroeconomic factors such as commodity prices, currency fluctuations, interest rate risk and political developments. The assessment of commercial viability and technical feasibility of exploration oil and gas is complex and includes a number of significant variables.</p> <p>(Refer Notes No.5 and 11 to standalone financial statements)</p>	<p>Our audit procedures on investments included:</p> <ul style="list-style-type: none"> <li>• In relation to Company's investments in mutual funds amounting to Rs.4264.26 lakhs, we verified the fair value as on 31<sup>st</sup> March, 2019 with the net asset value of the units given in the statement of accounts received from the mutual funds.</li> <li>• In the case of fair valuation of investments held in SRL 142 Holdings Limited, we tested the valuation prepared by the management with reference to estimated oil resources, market price of crude oil and gas prevailing in the international market, the rupee US Dollar exchange rate, assumptions as to future production of oil and gas, capital expenditure to be incurred, contracts entered into by the Nigerian Company, the Country risk and regulatory frame work prevailing in Nigeria.</li> </ul>

The key audit matters	How the matter was addressed in our audit
<b>Inventories</b>	
<p>The Company held inventories of Rs. 3810.49 lakhs as on 31<sup>st</sup> March, 2019. Cost is determined on monthly moving weighted average basis.</p> <p>Given the value of the inventories and number of locations, the valuation and existence of inventory is considered a key audit matter.</p> <p>(Refer to Note No.10 to the standalone financial statements).</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We tested the design and effectiveness of controls over the identification of obsolete inventories and obtained an understanding of the Company's process for measuring the amount of write down required.</li> <li>• We tested sample of inventories to sales subsequent to the year end and ascertained that they were sold at more than their carrying amounts.</li> <li>• We participated in the physical counts of inventory at plant and selected depots at the year end.</li> </ul>
<b>Trade receivables</b>	
<p>Management recognized allowances for impairment losses of Rs.42.03 lakhs on trade receivables based on specific known facts or circumstances on customers' abilities to pay. The details of trade receivables and expected credit loss allowances have been disclosed in Note No.12 to the standalone financial statements.</p> <p>The determination of recoverability of the trade receivables involves significant management judgment and inherent subjectivity given the uncertainty regarding the ability of the trade receivables to settle their debts. Therefore, determination of expected credit loss allowance was identified as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the recoverability of trade receivables by reference to their historical bad debt expense, ageing profiles of the counter parties and historical repayment trends; and</li> <li>• Assessed subsequent collections from customers against the amounts outstanding as at the end of the reporting period.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



## 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, 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 financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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 financial statements. Refer Note 36 to the standalone 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.

### For Khanna & Annadhanam

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

### (Sanjeev Srivastava)

Partner  
Membership No.502238

Place: New Delhi

Date: April 20, 2019

## 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 31<sup>st</sup> March, 2019

- 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, duty of customs, goods and service 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, duty of customs, goods and service 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, service tax, duty of customs, 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, F.Y 2011-12 to 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	Customs Excise and Service Tax, Appellate Tribunal Chandigarh
Gujrat Sales Tax Act, 1969	Non-Submission of C Forms	29.78	F.Y. 2002-03	Deputy Commissioner, Vadodara

- viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. Further, the Company does not have any debentures and loan from financial institution or government.
- ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money 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's Regn. No. 001297N)

**(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi

Date: April 20, 2019

## **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 31<sup>st</sup> March, 2019**

### **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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019, 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's Regn. No. 001297N)

### **(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi  
Date: April 20, 2019

## Abridged Balance Sheet as at 31 March 2019

	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
<b>ASSETS</b>		
<b>Non-current assets</b>		
a. Property, plant and equipment	2,652.69	2,841.50
b. Capital work-in-progress	92.95	20.78
c. Other intangible assets	23.54	30.43
d. Financial assets		
i. Investments	9,076.36	10,177.45
ii. Loans	-	3.60
iii. Other financial assets	52.03	126.22
e. Income tax assets (Net)	70.06	20.00
f. Other non-current assets	66.50	3.07
<b>Total non-current assets</b>	<b>12,034.13</b>	<b>13,223.05</b>
<b>Current assets</b>		
a. Inventories	3,810.49	3,278.61
b. Financial assets		
i. Investments	834.02	515.28
ii. Trade receivables	3,446.48	2,890.12
iii. Cash and cash equivalents	251.19	300.55
iv. Bank balances other than (iii) above	216.36	111.55
v. Loans	23.44	19.90
vi. Other financial assets	518.02	539.05
c. Other current assets	221.03	150.12
<b>Total current assets</b>	<b>9,321.03</b>	<b>7,805.18</b>
<b>Total assets</b>	<b>21,355.16</b>	<b>21,028.23</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a. Equity share capital	525.00	525.00
b. Other equity	18,500.06	18,116.21
<b>Total equity</b>	<b>19,025.06</b>	<b>18,641.21</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a. Provisions	59.50	49.81
b. Deferred tax liabilities (Net)	354.45	364.40
<b>Total non-current liabilities</b>	<b>413.95</b>	<b>414.21</b>
<b>Current liabilities</b>		
a. Financial liabilities		
i. Trade payables		
total outstanding dues of micro enterprises and small enterprises	216.07	22.88
total outstanding dues of creditors other than micro enterprises and small enterprises	1,227.01	1,403.18
ii. Other financial liabilities	285.83	259.36
b. Provisions	23.95	58.35
c. Current income tax liabilities(Net)	-	63.07
d. Other current liabilities	163.29	165.97
<b>Total current liabilities</b>	<b>1,916.15</b>	<b>1,972.81</b>
<b>Total liabilities</b>	<b>2,330.10</b>	<b>2,387.02</b>
<b>Total equity and liabilities</b>	<b>21,355.16</b>	<b>21,028.23</b>

The accompanying notes are an integral part of 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: April 20, 2019

**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 profit and loss for the year ended 31 March 2019

	Year ended 31 March 2019 (Rs. / lakh)	Year ended 31 March 2018 (Rs. / lakh)
<b>I</b> Revenue from operations	16,872.05	16,783.72
<b>II</b> Other income	505.27	706.40
<b>III Total income (I+II)</b>	17,377.32	17,490.12
<b>IV Expenses</b>		
Cost of materials consumed	11,849.14	10,067.82
Purchases of stock in trade	19.23	15.27
Changes in inventories of finished goods, stock-in-trade and work in progress	(341.71)	657.88
Excise duty	-	386.93
Employee benefits expense	1,774.90	1,608.32
Finance costs	25.67	20.52
Depreciation and amortisation expense	314.03	305.70
Other expenses	2,377.81	2,264.43
<b>Total expenses (IV)</b>	16,019.07	15,326.87
<b>V Profit before tax (III-IV)</b>	1,358.25	2,163.25
<b>VI Tax expense</b>		
Current tax	364.32	644.50
Deferred tax	(15.31)	(73.10)
Income tax adjustment for earlier year	(48.14)	15.89
	300.87	587.29
<b>VII Profit for the year (V-VI)</b>	1,057.38	1,575.96
<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	71.71	208.49
b. Gain on sale of equity and equity related instruments	16.27	13.14
c. Remeasurement gain on defined benefit obligations (net)	5.31	24.15
	93.29	245.78
ii. Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		
a. Current tax	2.43	8.36
b. Deferred tax	5.36	47.48
	7.79	55.84
<b>Total other comprehensive income (VIII)</b>	85.50	189.94
<b>IX Total Comprehensive income for the year (VII+VIII)</b>	1,142.88	1,765.90
<b>X Earnings per equity share</b>		
Basic and diluted (Rs.) [Nominal value of share Rs. 2]	4.03	6.00

The accompanying notes are an integral part of 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: April 20, 2019

**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, 2019

	Amount (Rs. / lakh)
<b>a. Equity share capital</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>
Balance as at 1 April, 2018	525.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2019</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 (Rs. / lakh)	General reserve (Rs. / lakh)	Retained earnings (Rs. / lakh)		
<b>Balance as at 1 April, 2017</b>	<b>0.29</b>	<b>450.00</b>	<b>1,148.80</b>	<b>15,244.37</b>	<b>265.11</b>	<b>17,108.57</b>
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	-	-	-	<b>1,575.96</b>	<b>189.94</b>	<b>1,765.90</b>
Dividend paid (including taxes)	-	-	-	758.26	-	758.26
	-	-	-	<b>817.70</b>	<b>189.94</b>	<b>1,007.64</b>
<b>Balance as at 31 March, 2018</b>	<b>0.29</b>	<b>450.00</b>	<b>1,148.80</b>	<b>16,062.07</b>	<b>455.05</b>	<b>18,116.21</b>
<b>Balance as at 1 April, 2018</b>	<b>0.29</b>	<b>450.00</b>	<b>1,148.80</b>	<b>16,062.07</b>	<b>455.05</b>	<b>18,116.21</b>
Profit for the year	-	-	-	1,057.38	-	1,057.38
Other comprehensive income for the year, net of income tax	-	-	-	-	85.50	85.50
Total comprehensive income	-	-	-	<b>1,057.38</b>	<b>85.50</b>	<b>1,142.88</b>
Dividend paid (including taxes)	-	-	-	759.03	-	759.03
	-	-	-	<b>298.35</b>	<b>85.50</b>	<b>383.85</b>
<b>Balance as at 31 March, 2019</b>	<b>0.29</b>	<b>450.00</b>	<b>1,148.80</b>	<b>16,360.42</b>	<b>540.55</b>	<b>18,500.06</b>

The accompanying notes are an integral part of 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: April 20, 2019

**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 2019

	Year ended 31 March 2019 (Rs. / lakh)	Year ended 31 March 2018 (Rs. / lakh)
A. Cash flows from/(used in) operating activities	(251.22)	1,379.26
B. Cash flows from/(used in) investing activities	974.44	(607.15)
C. Cash (used in) financing activities	(772.58)	(770.67)
Net increase/ (decrease) in cash and cash equivalents	(49.36)	1.44
Cash and cash equivalents at the beginning of the year	300.55	299.11
Cash and cash equivalents at the end of the year*	251.19	300.55

\*refer details given in note 8

The accompanying notes are an integral part of 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: April 20, 2019

**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 2019

(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, 2019.

### 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
  - ii. Sun Mobility EV Infra Private Limited (Formerly known as Alberieth EV Services Private Limited) (from January 1, 2019 to February 17, 2019)
- b. Step - down Subsidiary Company
  - i. Samyama Jyothi Solar Energy Private Limited
- c. Joint Venture Company
  - i. Sun Mobility EV Infra Private Limited (Formerly known as Alberieth EV Services Private Limited) (w.e.f. February 18, 2019)
- d. 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)
- e. 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
- f. 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. Sun Securities Limited
  - v. Sun London Limited
  - vi. Youth Reach
  - vii. SRL 142 Holdings Limited
  - viii. 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)**

(Rs. / lakh)

Particulars	Year ended		Year ended		Year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Name of parties:</b>	<b>Sale of goods</b>		<b>Purchase of goods</b>		<b>Rent paid</b>	
- Unipatch Rubber Limited	53.20	92.49	0.54	0.60	-	-
- Khemka Aviation Private Limited	-	-	-	-	92.40	92.52

Name of parties:	Reimbursement of expenses received		Dividend paid		CSR expenditure	
- Unipatch Rubber Limited	0.68	0.85	28.50	28.50	-	-
- Khemka Aviation Private Limited	1.04	1.85	150.54	150.54	-	-
- Nand and Jeet Khemka Foundation	1.22	1.31	-	-	-	-
- The Nabha Foundation	-	-	-	-	59.22	66.64
- Youth Reach	0.80	1.02	-	-	19.00	10.00
- Others	-	-	12.31	12.31	-	-

Name of parties:	Security deposit taken		Security deposit refunded	
- Khemka Aviation Private Limited	-	1.00	-	1.00

**2 Subsidiary company**

Name of parties:	Investment in equity Shares		Investment in optionally convertible redeemable preference shares	
Sun Mobility EV Infra Private Limited (formerly known as Alberieth EV Services Private Limited)*	10.00	-	1,340.00	-

\* Converted into Joint Venture w.e.f. February 18, 2019

**3 Joint Venture Company**

Name of parties:	Reimbursement of expenses received	
Sun Mobility EV Infra Private Limited (formerly known as Alberieth EV Services Private Limited)	8.36	-

(Rs. / lakh)

Particulars	Year ended		Year ended		Year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018

**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

**5 Key management personnel**

Name of parties:	Remuneration		Sitting fees		Dividend paid	
- Mr. Nand Khemka	84.00	110.63	-	-	0.44	0.44
- Mr. Uday Harsh Khemka (Joint holder with Mrs. Nitya Mohan Khemka)	-	-	-	-	30.02	30.02
- Mr. K.K. Kapur	93.96	110.63	-	-	-	-
- Mr. J.K Jain	37.81	29.61	-	-	-	-
- Mrs. Manali D Bijlani	21.92	19.60	-	-	-	-
- Ms. Bindu Saxena	1.46	4.50	5.50	3.90	-	-
- Mr. P.R. Khanna	5.59	8.07	13.40	5.90	-	-
- Mr. R. Parameswar	5.11	8.07	13.80	7.70	-	-
- Mr. Harjiv Singh	2.19	1.50	8.50	1.00	-	-

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

**II Balances outstanding at year end :**

(Rs. / lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
-------------	---------------------	---------------------

**1 Subsidiary Company**

Name of parties:	Investment in equity shares	
- SUN AMP Solar India Private Limited	295.35	295.35

**2 Step-down Subsidiary Company**

Name of parties:	Bank guarantee outstanding	
- Samyama Jyothi Solar Energy Private Limited	258.00	258.00

**3 Joint Venture Company**

Name of parties:	Investment in equity shares	
- Sun Mobility EV Infra Private Limited (Formerly known as Alberieth EV Services Private Limited)	10.00	-

Name of parties:	Investment in optionally convertible redeemable preference shares	
- Sun Mobility EV Infra Private Limited (Formerly known as Alberieth EV Services Private Limited)	1,340.00	-

(Rs. / lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
-------------	------------------------	------------------------

Name of parties:	Reimbursement of expenses received	
- Sun Mobility EV Infra Private Limited (Formerly known as Alberieth EV Services Private Limited)	5.02	-

#### 4 Key management personnel

Name of parties:	Remuneration	
- Mr. Nand Khemka	-	14.63
- Mr. K.K. Kapur	-	15.52
- Ms. Bindu Saxena	1.46	4.50
- Mr. P.R. Khanna	5.59	8.07
- Mr. R. Parameswar	5.11	8.07
- Mr. Harjiv Singh	2.19	1.50

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

Name of parties:	Trade payables	
- Khemka Aviation Private Limited	-	0.15

Name of parties:	Trade receivable	
- Unipatch Rubber Limited	0.34	0.09

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

	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
a. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. 56.26 lakh (As at 31 March, 2018 Rs. Nil)]	212.51	-
b. Other commitments		
i. IIFL special opportunity fund	-	125.00
c. The Company has other commitments for purchase of goods, 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 2019 (Rs. / lakh)	As at 31 March 2018 (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 under note no. 7 to the standalone balance sheet.	159.15*	159.15*
ii. Pending labour cases		
- in case of one employee	5.31*	5.31*
- in case of others	<b>Liability not ascertainable</b>	Liability not ascertainable
iii. Demand raised by the Excise Authorities, being disputed by the Company.	6.71*	6.71*
iv. Demand raised by the Sales Tax Authorities, being disputed by the Company.	29.78*	41.39*
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*	1244.68*
<b>Total</b>	<b>1,445.63</b>	1,457.24

# 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 and furnished bank guarantees of Rs. 793.35 lakh till 30.06.2017. 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 judgement dated 11th 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.

\* 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**

	<b>As at 31 March 2019 (Rs. / lakh)</b>	As at 31 March 2018 (Rs. / lakh)
Bank Guarantee given on behalf of Samyama Jyothi Solar Energy (P) Limited	<b>258.00</b>	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
---	---	-------

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

	<b>As at 31 March 2019 (Rs. / lakh)</b>	As at 31 March 2018 (Rs. / lakh)
1 Principal amount remaining unpaid to any supplier at the end of each accounting year		
- Trade payables	<b>216.07</b>	22.88
- Payable for capital creditors	-	-
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)**

	<b>Year ended 31 March 2019 (Rs. / lakh)</b>	Year ended 31 March 2018 (Rs. / lakh)
Sale of products manufactured	<b>16,777.37</b>	16,696.32
Sale of traded goods	<b>31.47</b>	33.87
Sale of services	<b>21.16</b>	19.61
Other operational revenue	<b>42.05</b>	33.92
	<b><u>16,872.05</u></b>	<u>16,783.72</u>

## 8. [13] Cash and cash equivalents

	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
<b>Components of cash and cash equivalents</b>		
Cash on hand	3.21	3.58
Balances with banks:		
on current accounts	125.34	241.88
on cash credit accounts	122.64	55.09
<b>Total cash and cash equivalents</b>	<b>251.19</b>	<b>300.55</b>

## 9 Market value of quoted and unquoted investments

	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
<b>9. [5] Non-current investments</b>		
Aggregate amount of quoted investments and market value thereof	365.67	321.06
Aggregate amount of unquoted investments (including mutual funds)	8,710.69	9,856.39
	<b>9,076.36</b>	<b>10,177.45</b>
<b>9. [11] Current investments</b>		
Aggregate amount of unquoted investments	834.02	515.28
	<b>834.02</b>	<b>515.28</b>

## 10.[41] 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 year. The information of the valuation techniques and the input used are as follows:

	Level	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
<b>Measured at fair value through profit or loss</b>			
Other investments			
- non current	Level 2	2,108.95	3,483.07
- current	Level 2	834.02	515.28
<b>Measured at fair value through other comprehensive income</b>			
Non current investments		4,488.64	5,544.58
Investments in Equity shares (quoted)	Level 1	365.67	321.06
Investments in equity oriented mutual funds	Level 2	1,820.89	3,072.49
Investments in Capital venture fund (unquoted)	Level 3	662.14	536.03
Investment in Compulsory convertible preference shares (Unquoted)	Level 3	1,383.43	1,615.00
Investment in equity shares (Unquoted)	Level 3	256.51	-



### 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.

- 11 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

### 12.[44] Events after the reporting period

The board of directors in its meeting held on April 20, 2019, has proposed final dividend @ 75% of paid up capital (i.e. Rs 1.50 per equity share of Rs 2 each subject to approval of shareholders at the Annual General Meeting.

### 13 Previous year figures

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

---

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: April 20, 2019

#### 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 FINANCIAL STATEMENTS**

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

#### **Opinion**

The abridged consolidated financial statements, which comprise the abridged balance sheet as at 31<sup>st</sup> March 2019, the abridged statement of profit and loss, the abridged statement of changes in equity and abridged cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Indag Rubber Limited for the year ended 31<sup>st</sup> March, 2019.

In our opinion, the accompanying abridged consolidated financial statements are a fair summary of the audited consolidated financial statements, in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 and the accounting principles generally accepted in India.

#### **Abridged Consolidated Financial Statements**

The abridged consolidated financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Companies Act, 2013 applied in the preparation of the audited consolidated financial statements of Indag Rubber Limited. Reading the abridged consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The abridged consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

#### **The Audited Consolidated Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated 20<sup>th</sup> April 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

#### **Management's Responsibility for Abridged Consolidated Financial Statements**

The Board of Directors of the Company is responsible for the preparation of the abridged consolidated financial statements in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 and the accounting principles generally accepted in India.

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

Our responsibility is to express an opinion on whether the abridged consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with the Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" 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: April 20, 2019

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INDAG RUBBER LIMITED

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

#### Opinion

We have audited the consolidated financial statements of Indag Rubber Limited (hereinafter referred to as the "Holding Company") its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31<sup>st</sup> March, 2019, the consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

The key audit matters	How the matter was addressed in our audit
<b>Investments</b>	
<p>The Company held current and non-current investments aggregating to Rs.9910.38 lakhs as on 31<sup>st</sup> March 2019. We have determined that fair valuation of investments is a key audit matter, specially relating to investment of Rs.1383.43 lakhs in SRL 142 Holdings Ltd. (SRL) by way of fully paid up compulsorily convertible preference shares. SRL has interest in oil production and exploration Company in Nigeria.</p> <p>The oil industry is exposed significantly to macroeconomic factors such as commodity prices, currency fluctuations, interest rate risk and political developments. The assessment of commercial viability and technical feasibility of exploration oil and gas is complex and includes a number of significant variables.</p> <p>(Refer Notes No.5 and 11 to consolidated financial statements)</p>	<p>Our audit procedures on investments included:</p> <ul style="list-style-type: none"> <li>• In relation to Company's investments in mutual funds amounting to Rs.4264.26 lakhs, we verified the fair value as on 31<sup>st</sup> March, 2019 with the net asset value of the units given in the statement of accounts received from the mutual funds.</li> <li>• In the case of fair valuation of investments held in SRL 142 Holdings Limited, we tested the valuation prepared by the management with reference to estimated oil resources, market price of crude oil and gas prevailing in the international market, the rupee US Dollar exchange rate, assumptions as to future production of oil and gas, capital expenditure to be incurred, contracts entered into by the Nigerian Company, the Country risk and regulatory frame work prevailing in Nigeria.</li> </ul>

The key audit matters	How the matter was addressed in our audit
<b>Inventories</b>	
<p>The Company held inventories of Rs. 3810.49 lakhs as on 31<sup>st</sup> March, 2019. Cost is determined on monthly moving weighted average basis.</p> <p>Given the value of the inventories and number of locations, the valuation and existence of inventory is considered a key audit matter.</p> <p>(Refer to Note No.10 to the consolidated financial statements).</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We tested the design and effectiveness of controls over the identification of obsolete inventories and obtained an understanding of the Company's process for measuring the amount of write down required.</li> <li>• We tested sample of inventories to sales subsequent to the year end and ascertained that they were sold at more than their carrying amounts.</li> <li>• We participated in the physical counts of inventory at plant and selected depots at the year end.</li> </ul>
<b>Trade receivables</b>	
<p>Management recognized allowances for impairment losses of Rs.42.03 lakhs on trade receivables based on specific known facts or circumstances on customers' abilities to pay. The details of trade receivables and expected credit loss allowances have been disclosed in Note No.12 to the consolidated financial statements.</p> <p>The determination of recoverability of the trade receivables involves significant management judgment and inherent subjectivity given the uncertainty regarding the ability of the trade receivables to settle their debts. Therefore, determination of expected credit loss allowance was identified as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the recoverability of trade receivables by reference to their historical bad debt expense, ageing profiles of the counter parties and historical repayment trends; and</li> <li>• Assessed subsequent collections from customers against the amounts outstanding as at the end of the reporting period.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for overseeing the financial reporting process of the Group and its jointly controlled entity.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Other Matters**

We did not audit the financial statements / financial information of two subsidiaries, whose financial statements/ financial information reflect total assets of Rs.1874.18 lakhs as at 31<sup>st</sup> March, 2019, total revenues of Rs.445.30 lakhs and net cash flows amounting to Rs.3.70 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 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 the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### **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 financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company and its jointly controlled entity as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors of the Holding Company and its jointly controlled entity and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group and its jointly controlled entity, is disqualified as on 31<sup>st</sup> March 2019 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 Group and its jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 36 to the consolidated 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, its Subsidiaries and jointly controlled entity during the year ended 31<sup>st</sup> March 2019.

**For Khanna & Annadhanam**

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

**(Sanjeev Srivastava)**

Partner  
Membership No.502238

Place: New Delhi  
Date: April 20, 2019

## **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 31<sup>st</sup> March, 2019**

**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 31<sup>st</sup> March, 2019, 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 its subsidiary companies and its jointly controlled entity 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 31<sup>st</sup> March, 2019, 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: April 20, 2019

## Abridged Consolidated Balance Sheet as at 31 March 2019

	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
<b>ASSETS</b>		
<b>Non-current assets</b>		
a. Property, plant and equipment	4,292.12	4,555.52
b. Capital work-in-progress	92.95	20.78
c. Goodwill	40.85	39.28
d. Other intangible assets	23.54	30.43
e. Financial assets		
i. Investments	8,771.01	9,882.10
ii. Loans	-	3.60
iii. Other financial assets	52.13	126.32
f. Income tax assets (Net)	70.06	20.00
g. Other non-current assets	66.50	4.56
<b>Total non-current assets</b>	<b>13,409.16</b>	<b>14,682.59</b>
<b>Current assets</b>		
a. Inventories	3,810.49	3,278.61
b. Financial assets		
i. Investments	834.02	515.28
ii. Trade receivables	3,446.48	2,890.12
iii. Cash and cash equivalents	298.29	352.96
iv. Bank balances other than (iii) above	352.04	245.62
v. Loans	23.44	19.90
vi. Other financial assets	561.06	694.34
c. Income tax assets (Net)	2.69	6.53
d. Other current assets	225.43	155.13
<b>Total current assets</b>	<b>9,553.94</b>	<b>8,158.49</b>
<b>Total assets</b>	<b>22,963.10</b>	<b>22,841.08</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a. Equity share capital	525.00	525.00
b. Other equity	18,557.14	18,156.11
<b>Equity attributable to shareholders of the company</b>	<b>19,082.14</b>	<b>18,681.11</b>
Non-controlling interest	310.65	392.97
<b>Total equity</b>	<b>19,392.79</b>	<b>19,074.08</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a. Financial Liabilities		
i. Borrowings	1,085.80	1,180.88
b. Provisions	59.50	49.81
c. Deferred tax liabilities (Net)	354.45	364.40
<b>Total non-current liabilities</b>	<b>1,499.75</b>	<b>1,595.09</b>
<b>Current liabilities</b>		
a. Financial liabilities		
i. Trade payables		
total outstanding dues of micro enterprises and small enterprises	216.07	22.88
total outstanding dues of creditors other than micro enterprises and small enterprises	1,248.82	1,429.47
ii. Other financial liabilities	411.79	423.76
b. Provisions	23.95	58.35
c. Current income tax liabilities(Net)	4.23	63.31
d. Other current liabilities	165.70	174.14
<b>Total current liabilities</b>	<b>2,070.56</b>	<b>2,171.91</b>
<b>Total liabilities</b>	<b>3,570.31</b>	<b>3,767.00</b>
<b>Total equity and liabilities</b>	<b>22,963.10</b>	<b>22,841.08</b>

The accompanying notes are an integral part of the abridged consolidated 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: April 20, 2019

**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 profit and loss for the year ended 31 March 2019

	Year ended 31 March 2019 (Rs. / lakh)	Year ended 31 March 2018 (Rs. / lakh)
<b>I</b> Revenue from operations	17,304.06	17,201.22
<b>II</b> Other income	518.56	710.60
<b>III Total income (I+II)</b>	17,822.62	17,911.82
<b>IV Expenses</b>		
Cost of materials consumed	11,849.14	10,067.82
Purchases of stock in trade	19.23	15.27
Changes in inventories of finished goods, stock-in-trade and work in progress	(341.71)	657.88
Excise duty	-	386.93
Employee benefits expense	1,774.97	1,608.32
Finance costs	166.15	197.73
Depreciation and amortisation expense	388.63	380.30
Other expenses	2,542.03	2,427.95
<b>Total expenses (IV)</b>	16,398.44	15,742.20
<b>V</b> Profit before Share of Profit/(loss) of Joint Venture and Tax (III - IV)	1,424.18	2,169.62
<b>VI</b> Share of loss of joint venture	10.00	-
<b>VII Profit before tax (V-VI)</b>	1,414.18	2,169.62
<b>VIII Tax expense</b>		
Current tax	376.96	646.44
Deferred tax	(15.31)	(73.10)
Income tax adjustment for earlier year	(48.14)	15.89
	313.51	589.23
<b>IX Profit for the year (VII-VIII)</b>	1,100.67	1,580.39
<b>X 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	71.71	208.49
b. Gain on sale of equity and equity related instruments	16.27	13.14
c. Remeasurement gain on defined benefit obligations (net)	5.31	24.15
	93.29	245.78
ii. Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		
a. Current tax	2.43	8.36
b. Deferred tax	5.36	47.48
	7.79	55.84
<b>Total other comprehensive income (X)</b>	85.50	189.94
<b>XI Total Comprehensive income for the year (IX+X)</b>	1,186.17	1,770.33

	<b>Year ended 31 March 2019 (Rs. / lakh)</b>	Year ended 31 March 2018 (Rs. / lakh)
Profit for the year attributable to:		
a) Shareholders of the company	<b>1,074.56</b>	1,576.69
b) Non Controlling Interest	<b>26.11</b>	3.70
Other Comprehensive income attributable to:		
a) Shareholders of the company	<b>85.50</b>	189.94
b) Non Controlling Interest	<b>-</b>	-
Total Comprehensive income attributable to:		
a) Shareholders of the company	<b>1,160.06</b>	1,766.63
b) Non Controlling Interest	<b>26.11</b>	3.70
<b>XII Earnings per equity share</b>		
Basic and diluted (Rs.) [Nominal value of share Rs. 2]	<b>4.09</b>	6.01

The accompanying notes are an integral part of the abridged consolidated 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: April 20, 2019

**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 2019

	Amount (Rs. / lakh)
<b>a. Equity share capital</b>	
Balance as at 1 April, 2017	525.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2018	525.00
Balance as at 1 April, 2018	525.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2019</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 (Rs. / lakh)	General reserve (Rs. / lakh)	Retained earnings (Rs. / lakh)		
<b>Balance as at 1 April, 2017</b>	<b>0.29</b>	<b>450.00</b>	<b>1,148.80</b>	<b>15,244.34</b>	<b>265.11</b>	<b>17,108.54</b>
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	-	-	-	<b>1,615.89</b>	<b>189.94</b>	<b>1,805.83</b>
Dividend paid (including taxes)	-	-	-	758.26	-	758.26
	-	-	-	<b>857.63</b>	<b>189.94</b>	<b>1,047.57</b>
<b>Balance as at 31 March, 2018</b>	<b>0.29</b>	<b>450.00</b>	<b>1,148.80</b>	<b>16,101.97</b>	<b>455.05</b>	<b>18,156.11</b>
<b>Balance as at 1 April, 2018</b>	<b>0.29</b>	<b>450.00</b>	<b>1,148.80</b>	<b>16,101.97</b>	<b>455.05</b>	<b>18,156.11</b>
Profit for the year	-	-	-	1,074.56	-	1,074.56
Other comprehensive income for the year, net of income tax	-	-	-	-	85.50	85.50
Total comprehensive income	-	-	-	<b>1,074.56</b>	<b>85.50</b>	<b>1,160.06</b>
Dividend paid (including taxes)	-	-	-	759.03	-	759.03
	-	-	-	<b>315.53</b>	<b>85.50</b>	<b>401.03</b>
<b>Balance as at 31 March, 2019</b>	<b>0.29</b>	<b>450.00</b>	<b>1,148.80</b>	<b>16,417.50</b>	<b>540.55</b>	<b>18,557.14</b>

The accompanying notes are an integral part of the abridged consolidated 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: April 20, 2019

**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 2019**

	Year ended 31 March 2019 (Rs. / lakh)	Year ended 31 March 2018 (Rs. / lakh)
<b>A. Cash flow from operating activities</b>	<b>11.22</b>	1,651.06
<b>B. Cash flow from (used in) investing activities</b>	<b>981.57</b>	(751.56)
<b>C. Cash (used in) financing activities</b>	<b>(1,047.46)</b>	(970.71)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(54.67)</b>	(71.21)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>352.96</b>	424.17
<b>Cash and cash equivalents at the end of the year*</b>	<b>298.29</b>	352.96

\*refer details given in note 8

The accompanying notes are an integral part of the abridged consolidated 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: April 20, 2019

**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 2019

(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, 2019.

### 2.[45] 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 2019			Year ended 31 March 2018		
	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	16,872.05	432.01	17,304.06	16,783.72	417.50	17,201.22
Inter Segment Sales	-	-	-	-	-	-
<b>Total revenue</b>	<b>16,872.05</b>	<b>432.01</b>	<b>17,304.06</b>	<b>16,783.72</b>	<b>417.50</b>	<b>17,201.22</b>
<b>Results</b>						
Segment results	957.15	197.67	1,154.82	1,597.26	179.38	1,776.64
Unallocated Income (net)			172.94			260.19
<b>Operating profit</b>			<b>1,327.76</b>			<b>2,036.83</b>
Interest Income			55.02			74.96
Dividend Income			200.30			251.82
Interest expenses			158.90			193.99
Income Tax			313.51			589.23
other segment			(10.00)			-
<b>Net Profit after tax</b>			<b>1,100.67</b>			<b>1,580.39</b>
	<b>As at 31 March 2019</b>			<b>As at 31 March 2018</b>		
Segment assets	11,444.78	1,872.44	13,317.22	10,335.50	2,068.92	12,404.42
Unallocated assets	-	-	9,645.88			10,436.66
<b>Total assets</b>	<b>11,444.78</b>	<b>1,872.44</b>	<b>22,963.10</b>	<b>10,335.50</b>	<b>2,068.92</b>	<b>22,841.08</b>
Segment liabilities	2,330.11	154.40	2,484.51	2,387.02	199.10	2,586.12
Unallocated liabilities			1,085.80			1,180.88
<b>Total liabilities</b>	<b>2,330.11</b>	<b>154.40</b>	<b>3,570.31</b>	<b>2,387.02</b>	<b>199.10</b>	<b>3,767.00</b>
<b>Other segment information for the year</b>						
Capital expenditure:	261.85	-	261.85	76.33	-	76.33
Depreciation	314.03	74.60	388.63	305.70	74.60	380.30
Other non-cash expenses	-	-	-	-	-	-

### 3.[33] Related party disclosures

Name and relationships of related-parties:

- a. Joint Venture Company
  - i. Sun Mobility EV Infra Private Limited (Formerly known as Alberieth EV Services Private Limited) (w.e.f. February 18, 2019)
- b. 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)
- c. 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
- d. 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. Sun Securities Limited
  - v. Sun London Limited
  - vi. Youth Reach
  - vii. SRL 142 Holdings Limited
  - viii. The Nabha Foundation
  - ix. Sun Mobility Private Limited
- e. Affiliate Entities
  - i. SUN Alternate Energy 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)

(Rs. / lakh)

Particulars	Year ended		Year ended		Year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Name of parties:</b>	<b>Sale of goods</b>		<b>Purchase of goods</b>		<b>Rent paid</b>	
- Unipatch Rubber Limited	53.20	92.49	0.54	0.60	-	-
- Khemka Aviation Private Limited	-	-	-	-	92.40	92.52

<b>Name of parties:</b>	<b>Reimbursement of expenses received</b>		<b>Dividend paid</b>		<b>CSR expenditure</b>	
- Unipatch Rubber Limited	0.68	0.85	28.50	28.50	-	-
- Khemka Aviation Private Limited	1.04	1.85	150.54	150.54	-	-
- Nand and Jeet Khemka Foundation	1.22	1.31	-	-	-	-
- The Nabha Foundation	-	-	-	-	59.22	66.64
- Youth Reach	0.80	1.02	-	-	19.00	10.00
- Others	-	-	12.31	12.31	-	-

<b>Name of parties:</b>	<b>Security deposit taken</b>		<b>Security deposit refunded</b>		<b>Capital advance</b>	
- Khemka Aviation Private Limited	-	1.00	-	1.00	-	-
- Sun Mobility Private Limited	-	-	-	-	1,260.00	-

### 2 Joint Venture Company

<b>Name of parties:</b>	<b>Reimbursement of expenses received</b>	
Sun Mobility EV Infra Private Limited (formerly known as Alberieth EV Services Private Limited)	8.36	-

### 3 Affiliate Entities

<b>Name of parties :</b>	<b>Conversion of compulsory convertible debentures into equity shares</b>		<b>Interest on Compulsory convertible debentures</b>		<b>Repayment of interest on Compulsory convertible debentures</b>	
- SUN Alternate Energy Pvt. Ltd.	-	240.10	-	18.83	36.48	-

<b>Name of parties :</b>	<b>Loan repaid</b>		<b>Interest on loan</b>		<b>Repayment of Interest on loan</b>	
- SUN Alternate Energy Pvt. Ltd.	-	362.00	-	2.11	1.96	-

(Rs. / lakh)

Particulars	Year ended		Year ended		Year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018

#### 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

#### 5 Key Management Personnel

Name of parties :	Remuneration		Sitting fees		Dividend paid	
- Mr. Nand Khemka	84.00	110.63	-	-	0.44	0.44
- Mr. Uday Harsh Khemka (Joint holder with Mrs. Nitya Mohan Khemka)	-	-	-	-	30.02	30.02
- Mr. K.K. Kapur	93.96	110.63	-	-	-	-
- Mr. J.K Jain	37.81	29.61	-	-	-	-
- Mrs. Manali D Bijlani	21.92	19.60	-	-	-	-
- Ms. Bindu Saxena	1.46	4.50	5.50	3.90	-	-
- Mr. P.R. Khanna	5.59	8.07	13.40	5.90	-	-
- Mr. R. Parameswar	5.11	8.07	13.80	7.70	-	-
- Mr. Harjiv Singh	2.19	1.50	8.50	1.00	-	-

  

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

#### II Balances outstanding at year end :

(Rs. / lakh)

Particulars	As at		As at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018

#### 1 Affiliate Entities

Name of Parties :	Interest payable on loan		Interest payable on compulsory convertible debentures	
- SUN Alternate Energy Pvt. Ltd.	20.00	21.96	-	36.48

#### 2 Joint Venture Company

Name of Parties :	Investment in equity shares		Investment in optionally convertible redeemable preference shares	
- Sun Mobility EV Infra Private Limited (formerly known as Alberieth EV Services Private Limited)*	10.00	-	1,340.00	-

(Rs. / lakh)

Particulars	As at		As at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018

Name of Parties :	Reimbursement of expenses received	
- Sun Mobility EV Infra Private Limited (formerly known as Alberieth EV Services Private Limited)	5.02	-

\* The Company was incorporated as wholly owned subsidiary of Parent Company on January 1, 2019 which has been converted into Joint Venture w.e.f. February 18, 2019.

## 2 Key Management Personnel

Name of Parties :	Remuneration	
- Mr. Nand Khemka	-	14.63
- Mr. K.K. Kapur	-	15.52
- Ms. Bindu Saxena	1.46	4.50
- Mr. P.R. Khanna	5.59	8.07
- Mr. R. Parameswar	5.11	8.07
- Mr. Harjiv Singh	2.19	1.50

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

Name of Parties :	Trade payables		Trade receivable	
- Khemka Aviation Private Limited	-	0.15	-	-
- Unipatch Rubber Limited	-	-	0.34	0.09

## 4.[34] Capital and other commitments

	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
a. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. 56.26 lakh (As at 31 March, 2018 Rs. Nil)]	212.51	-
b. Other commitments		
i. IIFL special opportunity fund	-	125.00
c. The Group has other commitments for purchase of goods, 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 2019 (Rs. / lakh)	As at 31 March 2018 (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 under note no. 7 to the consolidated financial statements.	159.15*	159.15*
ii. Pending labour cases		
- in case of one employee	5.31*	5.31*
- in case of others	<b>Liability not ascertainable</b>	Liability not ascertainable
iii. Demand raised by the Excise Authorities, being disputed by the Group.	6.71*	6.71*
iv. Demand raised by the Sales Tax Authorities, being disputed by the Group.	29.78*	41.39*
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*	1244.68*
<b>Total</b>	<b>1,445.63</b>	<b>1,457.24</b>

# 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 and furnished bank guarantees of Rs. 793.35 lakh till 30.06.2017. 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 11th 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.

\* 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 2019 (Rs. / lakh)</b>	As at 31 March 2018 (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.	-	31.28

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

	<b>As at 31 March 2019 (Rs. / lakh)</b>	As at 31 March 2018 (Rs. / lakh)
1 Principal amount remaining unpaid to any supplier at the end of each accounting year		
- Trade payables	<b>216.07</b>	22.88
- Payable for capital creditors	-	-
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)**

	<b>Year ended 31 March 2019 (Rs. / lakh)</b>	Year ended 31 March 2018 (Rs. / lakh)
Sale of products manufactured	<b>16,777.37</b>	16,696.32
Sale of traded goods	<b>31.47</b>	33.87
Sale of services	<b>21.16</b>	19.61
Sale of power generation (net of rebate)	<b>432.01</b>	417.50
Other operational revenue	<b>42.05</b>	33.92
	<b>17,304.06</b>	17,201.22

## 8. [13] Cash and cash equivalents

	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
<b>Components of cash and cash equivalents</b>		
Cash on hand	3.30	3.69
Balances with banks:		
on current accounts	172.35	294.18
on cash credit accounts	122.64	55.09
<b>Total cash and cash equivalents</b>	<b>298.29</b>	<b>352.96</b>

## 9 Market value of quoted and unquoted investments

	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
<b>9. [5] Non-current investments</b>		
Aggregate amount of quoted investments and market value thereof	365.67	321.06
Aggregate amount of unquoted investments (including mutual funds)	8,405.34	9,561.04
	<b>8,771.01</b>	<b>9,882.10</b>
<b>9. [11] Current investments</b>		
Aggregate amount of unquoted investments	834.02	515.28
	<b>834.02</b>	<b>515.28</b>

## 10.[42] 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 year. The information of the valuation techniques and the input used are as follows:

	Level	As at 31 March 2019 (Rs. / lakh)	As at 31 March 2018 (Rs. / lakh)
<b>Measured at fair value through profit or loss</b>			
Other investments			
- non current	Level 2	2,108.95	3,483.07
- current	Level 2	834.02	515.28
<b>Measured at fair value through other comprehensive income</b>			
Non current investments		4,488.64	5,544.58
Investments in Equity shares (quoted)	Level 1	365.67	321.06
Investments in equity oriented mutual funds	Level 2	1,820.89	3,072.49
Investments in Capital venture fund (unquoted)	Level 3	662.14	536.03
Investment in Compulsory convertible preference shares (Unquoted)	Level 3	1,383.43	1,615.00
Investment in equity shares (Unquoted)	Level 3	256.51	-

### 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:

- 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.
- Quoted equity investments: Fair value is derived from quoted market prices in active markets.
- 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.

- 11 Amounts disclosed under abridged consolidated 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

### 12.[48] Events after the reporting period

The board of directors of Parent Company in its meeting held on April 20, 2019, has proposed final dividend @75% of paid up capital (i.e. Rs 1.50 per equity share of Rs 2 each subject to approval of shareholders at the Annual General Meeting.

### 13 Previous year figures

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

---

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: April 20, 2019

#### 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

A series of horizontal dotted lines spanning the width of the page, intended for taking notes.



## 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 40<sup>th</sup> Annual General Meeting of the company on Tuesday, July 23, 2019 at 11:00 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.

---

## 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

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

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

### 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 40<sup>th</sup> Annual General meeting of the Company, to be held on Tuesday, July 23, 2019 at 11.00 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, 2019 together with reports of the Auditors and Board of the Directors thereon
2	Re-appointment of Mr. K.K. Kapur, who retires by rotation
3	Recommendation of Final Dividend for the year 2018-2019
<b>Special Business</b>	
4	Fixation of remuneration of Shome & Banerjee, Cost Auditors.
5	Re-appointment of Mr. K.K. Kapur (DIN- 00745117) as a Whole time director of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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.

