

- **BOARD OF DIRECTORS**

Mr. Nand Lal Khemka
(Chairman cum Managing Director)

Mr. Prithvi Raj Khanna

Mr. Ranjitha Parameswar

Ms. Bindu Saxena

Mr. Harjiv Singh

Mr. Shiv Vikram Khemka

Mr. Uday Harsh Khemka

Mr. Kewal Krishan Kapur
(CEO & Whole-Time Director)

- **REGISTERED OFFICE**

11, Community Centre, Saket,
New Delhi-110017

- **WORKS**

Village Jhiriwala, Hadbast No. 73,
Nalagarh, Dist.-Solan (HP)-174101

- **BANKERS**

1. State Bank of India
2. Kotak Mahindra Bank

- **STATUTORY AUDITORS**

Khanna & Annadhanam
(Registration No. 001297N)
Chartered Accountants
706, Akash Deep Building,
26-A, Barakhamba Road, New Delhi - 110001

- **INTERNAL AUDITORS**

Ernst & Young LLP
(LLP Identity No. AAB-4343)
Chartered Accountants
4th-5th Floor, Plot No. 2B, Tower 2,
Sector 126, Noida - 201304

- **COST AUDITORS**

Shome & Banerjee
(Registration No. 000001)
Cost Accountants
Pocket-C, 211B, Siddhartha Extension,
New Delhi -110014

- **SECRETARIAL AUDITORS**

RMG & Associates
(Registration No. P2001DE16100)
Company Secretaries
207, Suchet Chambers, 1224/5, Bank Street,
Karol Bagh, New Delhi - 110005

CONTENTS

| | |
|---|----|
| Notice | 03 |
| Notice to Shareholders/ Investors for Unpaid Dividends | 11 |
| Board's Report | 12 |
| Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and Outgo (Annexure-I) | 19 |
| Report on Corporate Social Responsibility (Annexure-II) | 20 |
| Particulars of Employees under Section 134(3)(q) and Section 197(12) of the Companies Act, 2013 (Annexure-III) | 22 |
| Form AOC-1 (Annexure-IV) | 24 |
| Secretarial Audit Report (Annexure-V) | 26 |
| Management Discussion and Analysis Report (Annexure-VI) | 29 |
| Report on Corporate Governance | 32 |
| Compliance Certificate on Corporate Governance | 45 |
| Independent Auditor's Report on Abridged Standalone Ind AS Financial Statements | 47 |
| Independent Auditor's Report on Standalone Ind AS Financial Statements and Annexure(s) thereto | 48 |
| Abridged Balance Sheet | 56 |
| Abridged Statement of Profit & Loss | 57 |
| Abridged Statement of change in Equity | 58 |
| Abridged Cash Flow Statement | 59 |
| Notes to the Abridged Financial Statements | 60 |
| Independent Auditor's Report on Abridged Consolidated Ind AS Financial Statements | 68 |
| Independent Auditor's Report on Consolidated Ind AS Financial Statements and Annexure(s) thereto | 69 |
| Abridged Consolidated Balance Sheet | 76 |
| Abridged Consolidated Statement of Profit & Loss | 77 |
| Abridged Consolidated Statement of change in Equity | 79 |
| Abridged Consolidated Cash Flow Statement | 80 |
| Notes to the Abridged Consolidated Financial Statements | 81 |



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.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF INDAG RUBBER LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 25, 2020 AT 03:30 P.M. THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM"), 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, 2020.
"RESOLVED THAT the audited standalone financial statements of the Company including the balance sheet as at March 31, 2020, 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, 2020.
"RESOLVED THAT the audited consolidated financial statements of the Company including the balance sheet as on March 31, 2020, 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. Uday Harsh Khemka (DIN-00323609) 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. Uday Harsh Khemka (DIN-00323609), 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 confirm first and second interim dividends paid during the Financial Year 2019-2020 and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT members do hereby confirm first and second interim dividends paid during the Financial Year 2019-2020, aggregating to Rs. 2.40/- per equity share of Rs. 2/- each, for the financial year ended March 31, 2020."

AS SPECIAL BUSINESS:

4. **Fixation of the remuneration of the Cost Auditors of the company for the financial year 2020-2021.**
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 applicable taxes 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, 2020 till March 31, 2021."

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

Place: New Delhi
Date : June 26, 2020

Manali D Bijlani
Company Secretary
F4704

NOTES

In view of the continuing COVID-19 Pandemic and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 41st AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 41st AGM shall be the Registered Office of the Company. Members can attend and participate in the ensuing AGM through VC/OAVM.

1. This notice is sent to all the members whose name appears as on August 21, 2020 in the Register of Members and who have email IDs registered with the company or Depository Participant.
2. IN TERMS OF THE MCA CIRCULARS SINCE THE PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH, THERE IS NO REQUIREMENT OF APPOINTMENT OF PROXIES. ACCORDINGLY, THE FACILITY OF APPOINTMENT OF PROXIES BY MEMBERS UNDER SECTION 105 OF THE ACT WILL NOT BE AVAILABLE FOR THE 41ST AGM. HOWEVER, IN PURSUANCE OF SECTION 112 AND SECTION 113 OF THE ACT, REPRESENTATIVES OF THE MEMBERS MAY BE APPOINTED FOR THE PURPOSE OF VOTING THROUGH REMOTE E-VOTING, FOR PARTICIPATION IN THE 41ST AGM THROUGH VC/OAVM FACILITY AND E-VOTING DURING THE 41ST AGM.
3. 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.
4. First Interim Dividend of Rs. 0.90/- per equity share, for the Financial Year 2019-20, was declared on November 09, 2019 and paid on December 03, 2019; and Second Interim Dividend of Rs. 1.50/- per equity share was declared on February 19, 2020 and paid on March 19, 2020.
5. 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.
6. 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.
7. 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.
8. 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 / compliances@skylinerta.com 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.
9. All correspondence relating to transfer of shares may be sent directly to the aforesaid Registrar and Share Transfer Agent of the Company.
10. Members are further requested to also inform changes, if any, pertaining to their name, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Registrar in case the shares are held by them in physical form.
11. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of 41st Annual General Meeting and Annual Report for the year 2019-2020 of the Company is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Notice of 41st Annual General Meeting and Annual Report for the year 2019-2020 of the Company and to avail e-voting facility in respect of the resolutions to be passed at the General Meetings of the Company.

12. Members may also note that the Notice of 41st Annual General Meeting and Annual Report for the year 2019-2020 is also available on the website of the Company www.indagrubber.in for their download. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.
13. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
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 w.r.t the Meeting.

15. **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 e-voting facility (remote e-voting facility as well as e-voting facility during the meeting) to the members of the Company to exercise their right to vote in respect of the resolutions to be passed at the 41st 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 September 18, 2020 (the "Cut-off Date") only shall be entitled to vote through e-voting facility w.r.t. 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) Persons who have acquired shares and become members of the Company after electronic dispatch of Notice of AGM but before cut-off date of September 18, 2020 may obtain their USER ID and password for e-voting from Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 / compliances@skylinerta.com or from NSDL.
- d) The remote e-voting period shall commence on Tuesday, September 22, 2020 (09:00 am) to Thursday, September 24, 2020 (05:00 pm). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on September 18, 2020 (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, through VC/OAVM facility, 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, through VC/OAVM facility, but shall not be entitled to cast their vote again.

f) Instructions for remote 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 :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|--|
| 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, please follow steps mentioned under below section "process for those shareholders whose email IDs are not registered".
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.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact RTA at 011-40450193-97 & 011-26812682-83 or email at compliances@skylinerta.com.

Process for those shareholders whose email IDs are not registered with the depositories for procuring User ID and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card and ECS mandate) by email to compliances@skylinerta.com.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card and ECS mandate to) to their Depository Participant.

g) Instructions for Members for participating in the 41st AGM through VC/OAVM are as under:

- i. Members may follow the same procedure for e-Voting during the 41st AGM as mentioned above for remote e-Voting.
- ii. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM (and the Company may close the window for joining the VC / OAVM facility 30 minutes after the scheduled time to start the AGM) and will be available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- iii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM or in case of any assistance with use of technology w.r.t. the AGM shall be the same person mentioned for Remote e-voting.
- v. Skyline Financial Services Private Limited, Registrar and Share Transfer Agent of the Company will be providing VC/OAVM services.
- vi. **Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.**
- vii. Members are encouraged to join the Meeting through Laptops for better experience.
- viii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- ix. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- x. Shareholders, who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at info@indagrubber.com, on or before September 23, 2020 by 05:00 pm.
- xi. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info@indagrubber.com, on or before September 23, 2020 by 05:00 pm. The same will be replied by the company suitably.
- xii. **Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.**
- xiii. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility.
- xiv. Attendance of the Members participating in the AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- h) During the 41st AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, at website of the Company at http://indagrubber.in/?page_id=2920
- i) The Board of Directors has appointed Mr. Kanishk Arora of M/s. Kanishk Arora & Co., Practicing Company Secretary, as the Scrutinizer for conducting remote e-voting in a fair and transparent manner.
- j) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
- k) The results declared alongwith the report of Scrutinizer shall be placed on the website of the Company www.indagrubber.in 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.

16. 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 is as follows:

| | |
|---|--|
| Item No. | 2 |
| Name | Mr. Uday Harsh Khemka |
| DIN | 00323609 |
| Date of Birth/Age | 11-07-1965 |
| Date of first Appointment in the current designation | 08-10-2014 |
| Qualifications | Educated at Eton College, he received his undergraduate and Master's degrees at Cambridge University and received an MBA with distinction from Harvard Business School (Baker Scholar). |
| Experience in specific functional areas | Mr. Uday Khemka is Vice-Chairman of the SUN group of companies and has more than 24 years of investment, investment banking and entrepreneurial experience. He serves on the Board of various companies and has been elected a young global leader at the World Economic Forum in Davos. |
| Terms and condition of appointment/ re-appointment | Re-appointment as Non-Executive Director (Interested), liable to retire by rotation. |
| Details of remuneration last drawn (2019-2020) | NIL |
| No. of Board Meeting attended during the year | 4 of 4 |
| Directorship held in other Listed Entities | NIL |
| Membership / Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee) | NIL |
| Number of shares held in the company | 12,50,750 equity shares (jointly held with Ms. Nitya Mohan Khemka) |
| Inter-se relationship between Directors and other Key Managerial Personnel | Mr. Nand Lal Khemka (Father) Mr. Shiv Vikram Khemka (Brother) |

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 June 26, 2020 for the financial year 2020-2021, 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/- plus applicable taxes and out of pocket expense, 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.

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

Place: New Delhi
Date: June 26, 2020

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, 2020 (in Rs.) | Number of corresponding shares of which dividend is unclaimed | Due Dates for Transfer to IEPF |
|----------------|---------------------------------|--|---|--------------------------------|
| 2012-13 | Final | 461494.00 | 83908 | August 25, 2020 |
| 2013-14 | Interim | 307394.50 | 87827 | December 04, 2020 |
| 2013-14 | Final | 494162.50 | 76025 | August 31, 2021 |
| 2014-15 | Interim | 356260.50 | 79169 | November 03, 2021 |
| 2014-15 | Final | 583387.50 | 388925 | September 20, 2022 |
| 2015-16 | Interim | 380088.00 | 422320 | December 10, 2022 |
| 2015-16 | Final | 621153.00 | 414102 | July 02, 2023 |
| 2016-17 | Interim | 369153.90 | 410171 | November 30, 2023 |
| 2016-17 | Final | 707578.50 | 471719 | July 25, 2024 |
| 2017-18 | Interim | 404046.90 | 448941 | December 17, 2024 |
| 2017-18 | Final | 362203.50 | 241469 | September 20, 2025 |
| 2018-19 | Interim | 223403.40 | 248226 | December 20, 2025 |
| 2018-19 | Final | 282670.50 | 188447 | August 29, 2026 |
| 2019-20 | Interim | 162554.40 | 180616 | December 16, 2026 |
| 2019-20 | Second Interim | 1545054.00 | 1030036 | March 27, 2027 |

- 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.in
- 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) 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, 2020.

FINANCIAL RESULTS AND STATE OF THE COMPANY'S AFFAIRS

| Particulars | Standalone | | Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2019-20 (Rs. in lakh) | 2018-19 (Rs. in lakh) | 2019-20 (Rs. in lakh) | 2018-19 (Rs. in lakh) |
| Sales and other Income | 19135.00 | 17377.32 | 19570.78 | 17822.62 |
| Profit before Finance Cost & Depreciation | 2070.97 | 1697.95 | 2327.54 | 1968.96 |
| Finance Cost | 25.00 | 25.67 | 152.76 | 166.15 |
| Profit before Depreciation | 2045.97 | 1672.28 | 2174.78 | 1802.81 |
| Depreciation | 374.32 | 314.03 | 448.89 | 388.63 |
| Profit before tax | 1671.65 | 1358.25 | 1725.89 | 1414.18 |
| Profit after tax (before minority) | 1328.10 | 1057.38 | 1372.05 | 1100.67 |
| Profit after tax (after minority) | 1328.10 | 1057.38 | 1345.42 | 1074.56 |
| Transfer to General Reserve | - | - | - | - |
| Interim Dividend | 630.00 | 236.25 | - | - |
| Final Dividend | 393.75 | 393.75 | - | - |

PERFORMANCE REVIEW

During the year under review your Company had net revenue of Rs.191.35 crores as against Rs.173.77 crores in the previous year. The Profit before finance cost and depreciation amounted to Rs. 20.71 crores as against Rs.16.97 crores in the previous year.

Profit before tax during the year worked out to Rs. 16.72 crores as compared to Rs.13.58 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.

The industry witnessed an overall slowdown due to several headwinds during the year. COVID-19 Pandemic and resultant nationwide lockdown led to operational standstill and stockpiling. Company's operations were impacted during this phase. The month of March and April, 2020 witnessed a significant drop in revenues, which has gradually started picking up in May, 2020. In order to mitigate the impact, the company has taken various initiatives to conserve cash.

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 First Interim Dividend of Rs. 0.90/- per equity share of face value of

Rs. 2/- each on November 09, 2019 which has been paid on December 03, 2019; and further declared Second Interim Dividend of Rs. 1.50/- per equity share of face value of Rs. 2/- each on February 19, 2020, paid on March 19, 2020.

The Directors recommend the interim dividends for the Financial Year 2019-2020, aggregating to Rs. 2.40/- per equity share of Rs. 2/- each, already paid during the year, as final for the financial year ended March 31, 2020.

INVESTOR EDUCATION AND PROTECTION FUND

Dividend which was declared by the company for the year ended March 31, 2013 at the Annual General Meeting held on July 19, 2013 and remained unclaimed will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government within 30 days of August 25, 2020 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on dividend for the year ended March, 2013 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 |
|---------|---------|-------------------------------------|--|--------------------------------------|--|
| 2011-12 | Final | 3,50,941.00 | 12.09.2019 | 32,768 | 13.09.2019 |
| 2012-13 | Interim | 1,96,760.00 | 28.11.2019 | 6,250 | 07.12.2019 |

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.) |
|--------------------------|------------------------------------|--|
| 2018-19 (Final) | 2,08,438 | 3,12,657.00 |
| 2019-20 (First Interim) | 2,40,956 | 2,16,860.40 |
| 2019-20 (Second Interim) | 2,46,206 | 3,69,309.00 |

TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserve for the financial year ended March 31, 2020.

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. Kewal Krishan Kapur (DIN-00745117) was re-appointed as Whole-time Director (Key Managerial Personnel designated as Chief Executive Officer) of the Company for a period of 2 years with effect from 1st June, 2019 with the approval of the Members in the Annual General Meeting held on July 23, 2019.

Mr. Nand Lal Khemka (DIN- 00211084) was re-appointed as Chairman cum Managing Director of the Company, not liable to retire by rotation, for a period of 5 (five) years with effect from 1st April, 2020 till 31st March, 2025, through consent of the Members obtained on March 04, 2020 by way of Postal ballot and Remote E-voting process.

Mr. Uday Harsh Khemka (DIN-00323609), who retires by rotation at this meeting and being eligible has offered himself for re-appointment. The Board recommends the re-appointment of Mr. Uday Harsh Khemka as Director liable to retire by rotation. The information 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 was re-appointed as Chief Financial Officer of the Company for a period of 2 years with effect from 1st July, 2019 by the Board in its meeting held on April 20, 2019, based on the recommendation of Nomination and Remuneration Committee and Audit Committee.

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, its committees and of individual directors was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

The performance evaluation of Independent Directors was done by the entire Board of Directors on January 18, 2020 and in the evaluation, the directors who are subject to evaluation did not participate. The Board opined that the Independent Directors meet the criteria of persons with integrity and possess relevant expertise / experience, including proficiency (where required) and fulfilling the conditions specified in the Act for appointment as Independent Directors and are independent of the Management.

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.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholder Relationship Committee comprises of Mr. Ranjitha Parameswar as Chairman and Mr. Nand Lal Khemka and Mr. Kewal Krishan 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. Ranjitha Parameswar as Chairman and Mr. Nand Lal Khemka and Mr. Prithvi Raj 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 2019-2020, 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 |

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 (Account) 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 Lal 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.in

The web-link of the same is 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, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has a subsidiary company namely SUN-AMP Solar India (P) Limited, a step-down subsidiary namely Samyama Jyothi Solar Energy Private Limited and a joint venture namely Sun Mobility EV Infra Pvt. Ltd. The company has periodically reviewed the matters pertaining to its subsidiary, step down subsidiary and joint venture and found it satisfactory.

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.in. The company has framed a Policy for determining Material Subsidiary. Contribution of subsidiary(ies) to the overall performance of the company is given in Note "46" of the consolidated financial statements.

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 Auditor RMG & Associates, Practicing Company Secretaries. The Secretarial Auditors Report is attached as **Annexure 'V'**. There are no qualifications or observations or remarks made by the Secretarial Auditor 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 2020-2021 at a remuneration of Rs.1,50,000 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, 2019 was filed on August 8, 2019.

REPORTING OF FRAUDS BY AUDITORS

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

LOANS, GUARANTEES OR INVESTMENTS

The company has made investments in securities of other body corporate(s) and given guarantees in the ordinary course of its business, the details of which are given in Note '11' to Financial Statements, which are within the limits prescribed under Section 186 of the Companies Act, 2013.

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.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis 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.

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.in.

EXTRACT OF ANNUAL RETURN

The particular required to be furnished under Section 92(3) read with Section 134(3) of the Companies Act, 2013 and with Companies (Management and Administration) Rules, 2014 as prescribed in Form MGT-9 is available at company's website link at http://indagrubber.in/?page_id=2920

LISTING

The equity shares of your Company are listed with the BSE Limited.

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, 2020, 99.03% 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.in.

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 with 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 | 171 | 68530 |
| B. | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year | 2 | 500 |
| C. | Number of shareholders to whom shares were transferred from suspense account during the year | 2 | 500 |
| 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 | 52 | 29755 |
| 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 | 117 | 38275 |

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 |

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 2019-20 are in conformity with the requirements of the Companies Act, 2013. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operation.

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

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

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

APPRECIATIONS

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

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

Nand Lal Khemka
Chairman & Managing Director
DIN: 00211084

Place : New Delhi
Date : 26 June 2020

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.

| Sl.No. | Particulars | Amount (Rs. in lacs) |
|--------|---|----------------------|
| 1 | Capital expenditure in R&D | 62.02 |
| 2 | Revenue expenditure in R&D | 2.88 |
| 3 | Expenditure on Salary with respect to R&D | 7.80 |

D. Foreign Exchange Earning and Outgo**Total Foreign Exchange used and earned:**

| Particulars | 2019-20 (Rs. in lacs) | 2018-19 (Rs. in lacs) |
|-------------------------|--------------------------|--------------------------|
| Foreign Exchange earned | 105.26 | 189.89 |
| Foreign Exchange used | 139.15 | 179.62 |

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

Nand Lal Khemka
Chairman & Managing Director
DIN: 00211084

Place : New Delhi
Date : 26 June 2020

Report on Corporate Social Responsibility

| | | |
|---|---|---|
| 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>BRIEF FEATURES OF CSR POLICY</p> <p>a) 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.</p> <p>b) CSR activities shall be undertaken by the company as prescribed under Schedule VII of the Companies Act, 2013.</p> <p>c) 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</p> <p>d) 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.</p> <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 http://indagrubber.in/indag/wp-content/uploads/2015/06/CSR_Policy.pdf</p> <p>Details of the CSR activities undertaken at Indag can be accessed at http://indagrubber.in/wp-content/uploads/CSR-Activities-carried-out-during-FY-2019-2020.pdf</p> |
| 2 | Composition of the CSR Committee | <ol style="list-style-type: none"> 1. Mr. Nand Khemka (Executive/ Interested -Chairman) 2. Mr. P.R.Khanna (Independent) 3. Mr. K.K.Kapur (Executive/ Interested) |
| 3 | Average net profits of the company for last three financial years | Rs. 2076.53 lacs |
| 4 | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) | Rs. 41.53 lacs |
| 5 | Amount unspent brought forward from the Financial Year 2018-2019 | Rs. 17.84 lacs |
| 6 | Total CSR budget for Financial Year 2019-2020 | Rs. 59.37 lacs |
| 7 | <p>Details of CSR spent during the financial year:</p> <ol style="list-style-type: none"> 1. Total amount spent for the Financial Year 2. Amount unspent, if any 3. Manner in which the amount spent during the financial year | <p>Rs. 57.39 lacs</p> <p>Rs. 1.98 lacs</p> <p>The manner in which the amount spent is detailed in the Annexure.</p> |

Manner in which the amount spent during the financial year 2019-20:

| (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. 13.00 lacs for CSR projects (1) & (2) | Amount spent to create awareness on different govt. schemes | Grant of Rs. 13.00 lacs spent on CSR projects (1) & (2) | Through Youthreach |
| 2. | Health Cube Device installation | | | | | | |
| 3. | Support to primary schools | Education | Nabha (Punjab) | Rs. 40.00 lacs | Amount spent for supporting 5 Navi Disha Schools and Girls Primary School | Donation of Rs. 40.00 lacs | Through Nabha Foundation |
| 4. | Promote rural sports | Rural development | Nalagarh (HP) | Rs.0.10 lacs | Promotion of sports among school students | Rs.0.10 lacs | Direct |
| 5. | Reducing inequalities among socially and economically backward groups | Promoting equality/empowerment | Nalagarh (HP) | Rs. 2.68 lacs | Orphan children pension distribution program for upliftment of economically backward groups alongwith cash prize distribution to students of Govt. school. | Rs. 2.68 lacs | Direct |
| 6. | Contribution to Govt.School | Rural development | Nalagarh (HP) | Rs.0.32 lacs | Support for repair of toilets in school | Rs.0.32 lacs | Direct |
| 7. | Infrastructural assistance | Rural development | Nalagarh (HP) | Rs.1.29 lacs | Installation of CCTV camera on main road and construction of Rain shed at bus stand | Rs.1.28 lacs | Direct |
| Total | | | | Rs. 57.39 lacs | | Rs. 57.39 lacs | |

a) Reason for not spending the 2% of the average net profit of the last three financial years-

Against amount of Rs. 41.53 lacs, being 2% of average net profit of last three financial years, the company has spent Rs. 57.39 lacs and utilized approx. 90% of the 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 2020-2021.

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.

Place : New Delhi
Date : 26 June 2020

K.K.Kapur
Chief Executive Officer

Nand Lal Khemka
Chairman- CSR Committee

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 to 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; | : Mr. Nand Lal Khemka - 765 : 28 (2732%) Mr. K K Kapur - 765 : 28 (2732%) Mr. P R Khanna - 57 : 28 (204%) Mr. R. Parameswar - 57 : 28 (204%) Ms. Bindu Saxena - 28 : 28 (100%) Mr. Harjiv Singh - 12 : 28 (43%) Mr. Shiv Vikram Khemka - - NIL Mr. Uday Harsh Khemka - - NIL |
| (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; | : Directors Mr. Nand Lal Khemka - 9.25% Mr. K K Kapur - (2.33%) Mr. P R Khanna - 21.65% Mr. R. Parameswar - 33.07% Ms. Bindu Saxena - 126.03% Mr. Uday Harsh Khemka - - NIL Mr. Shiv Vikram Khemka - - NIL Mr. Harjiv Singh - (33.79%) Key Managerial Personnel Mr. J.K Jain(CFO) - 20.68% Mrs. Manali D Bijlani(CS) - 9.12% |
| (iii) the percentage increase in the median remuneration of employees in the financial year; | : 11.65% |
| (iv) the number of permanent employees on the rolls of company; | : 332 employees as on 31.03.2020 |
| (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | : Average Salary increase of non-managerial employees is 15.14% Average Salary increase of managerial employees (Directors) is 3.46% |
| (vi) affirmation that the remuneration is as per the remuneration policy of the company. | : Remuneration paid during the year ended March 31, 2020 is as per the Remuneration Policy of the Company |

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

Nand Lal Khemka
 Chairman & Managing Director
 DIN: 00211084

Place : New Delhi
 Date : 26 June 2020

**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 |
|---|---------------------------|------------------------------------|--------------------|---|--|-----------------------------------|---|------------------------------------|---------------|----------------|---|
| 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, 2020. | | | | | | | | | | | |
| 1 | Mr. Vijay Shrivivas | Chief Commercial Officer | Nil | Nil | Regular | 11,272,732 | B. Tech, MBA (IIFT) | 27.04.2018 | 21 years | 48 | Arvind Ltd. |
| 2 | Mr. Nand Lal Khemka | Chairman cum Managing Director | 0.07 | Relative of Mr. Shiv Khemka and Mr. Uday Khemka | Business Head (Contractual) | 9,177,000 | MS in Foreign trade and masters Degree in Business Administration from Columbia Unoversity, New York, USA | 02.06.1978 | Over 50 years | 85 | Promoter and Chairman of Indag Rubber Limited since incorporation |
| 3 | Mr. Kewal Krishan Kapur | CEO & Whole Time Director | Nil | Nil | Business Head (Contractual) | 9,177,000 | Masters in Mathematics, CMA | 09.04.2001 | Over 50 years | 82 | Enron India Pvt. Ltd. |
| 4 | Mr. Bijendra Kashyap | Sr. General Manager (Plant) | Nil | Nil | Regular | 4,656,189 | B.Sc. | 01.12.2010 | 44 years | 67 | ATC Tyre Ltd. |
| 5 | Mr. Jainendar Kumar Jain | Chief Financial Officer | 0.00003 | Nil | Regular | 4,563,038 | B Com , CA | 01.07.2006 | 44 years | 75 | GAIL (India) Ltd. |
| 6 | Mr. Rohit Kapoor | General Manager (Marketing) | Nil | Nil | Regular | 3,629,526 | Management Programme (IM Lucknow), B.SC (Computer Science) | 10.11.2018 | 25 years | 48 | Shell India Market Pvt.Ltd. |
| 7 | Mr. Krishan Kumar Awasthi | Sr.Deputy General Manager (Plant) | Nil | Nil | Regular | 3,349,573 | M.Sc. Chemistry, LIRI | 03.03.2015 | 45 years | 63 | Continental India Ltd. |
| 8 | Mr. Anil Kumar Bhardwaj | General Manager (F&A) | 0.00003 | Nil | Regular | 3,319,378 | B.Com., CMA | 01.07.2010 | 29 years | 51 | Berger Paints Ltd. |
| 9 | Mr. Arvind Dwivedi | General Manager (Sales &Marketing) | Nil | Nil | Regular | 2,969,783 | Dip in Elect, B.Sc, MBA | 17.05.2010 | 29 years | 53 | J.K. Tyre Industries Ltd. |
| 10 | Ms. Manali D. Bijani | Company Secretary | Nil | Nil | Regular | 2,391,769 | B.Sc. (MICRO BIOLOGY-HONS), F.C.S.,LL.B. | 08.03.2004 | 23 years | 48 | Rajdoot Paints Ltd. |

B. Employed for part of the year and in receipt of remuneration aggregating not less than Rs.8,50,000/- per month
Nil

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

Nand Lal Khemka
Chairman & Managing Director
DIN: 00211084

Place : New Delhi
Date : 26 June, 2020

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) Ltd) |
| 3. | The date since when subsidiary was acquired | October 13, 2016 | October 13, 2016 |
| 4. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | - | - |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA | NA |
| 6. | Share Capital | 73,300,000 | 55,611,130 |
| 7. | Reserves and surplus | (15,431,779) | 14,235,892 |
| 8. | Total assets | 58,045,471 | 182,904,031 |
| 9. | Total liabilities | 177,250 | 113,057,009 |
| 10. | Investments | 57,323,000 | - |
| 11. | Turnover | - | 42,471,511 |
| 12. | Profit (loss) before taxation | (214,394) | 6,595,676 |
| 13. | Provision for taxation | - | 1,028,925 |
| 14. | Profit (loss) after taxation | (214,394) | 5,566,751 |
| 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, 2020.

- 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

| Sl. No. | Name of Associates or Joint Ventures | Sun Mobility EV Infra Pvt. Ltd. (Joint Venture) (Formerly known as Alberieth EV Services Pvt. Ltd.) |
|---------|---|--|
| 1. | Latest audited Balance Sheet Date | March 31, 2020 |
| 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 | 15,00,000 |
| | Number of Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10/- each | 12,000,000 |
| | Amount of Investment in Associates or Joint Venture | Rs.13,50,00,000 (Rupees Thirteen Crores Fifty Lakhs 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.143,887,815/- |
| 7. | Profit or (Loss) for the year | |
| | i. Considered in Consolidation | (Rs.1,040,196/-) |
| | ii. Not Considered in Consolidation | (Rs.1,040,196/-) |

- 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 Khanna & Annadhanam

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

Sanjeev Srivastava

Partner
Membership No. 502238

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director
DIN : 00211084

K. K. Kapur

CEO and Whole Time Director
DIN : 00745117

Place: New Delhi

Date: June 26, 2020

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, 2020

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

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, *to the extent possible due to lockdown announced by Government of India and COVID – 19 pandemic*, 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, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable as the Company has not issued any further share capital during the period under review**];
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [**Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review**];
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [**Not applicable as the Company has not issued and listed any debt securities during the Financial Year under review**];
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

- (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, 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. 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.

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.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company has spent the CSR Budget as per the applicable provisions of Section 135 of the Act read with rules mentioned thereunder. As informed, the Company has proposed to carry forward the unspent amount, out of the total budget as allocated for CSR activities for the Financial Year 2019-2020, 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.
- 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 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 generally 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 members vide postal ballot on April 26, 2019 approved special resolution for re-appointment of Mr.P.R.Khanna (DIN-00048800), Ms.Bindu Saxena (DIN-00167802 for a period of five Years i.e. w.e.f 01.04.2019 to 31.03.2024 and Mr.R.Parameswar (DIN-01879913) for a period of 2 Years i.e. w.e.f 01.04.2019 to 31.03.2021.
2. The Board of Directors of the Company in its Meeting held on November 9, 2019 declared an interim dividend of Rs. 0.90/- per equity share of Rs. 2/- each for the Financial Year 2019-2020.
3. The Board of Directors vide resolution by circulation dated February 19, 2020 declared second interim dividend of Rs. 1.50/- per equity share of face value of Rs. 2/- each for the financial year 2019-2020.
4. The members vide postal ballot on March 4, 2020 approved a special resolution for re-appointment of Shri Nand Lal Khemka (DIN:00211084) as Chairman cum Managing Director of the Company for a period of 5 years i.e. w.e.f April 1, 2020 to March 31, 2025.

For RMG & Associates

Company Secretaries

Firm Registration No. P2001DE16100

Peer Review No. : 734 / 2020

Date : 26 June 2020
Place : New Delhi
UDIN : F005123B000358058

CS Manish Gupta

Partner

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

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

Annexure - I

The Members

Indag Rubber Limited

Our Secretarial Audit Report for the financial year ended 31st March, 2020 of even date is to be read along with this letter:

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 operate effectively.
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.
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 tried to verify the physical records maintained by the company to the extent possible in order to verify the compliances, *however, reliance was also placed on electronic records for verification due to lockdown announced by Government of India and COVID- 19 pandemic.*

For RMG & Associates

Company Secretaries

Firm Registration No. P2001DE16100

Peer Review No. : 734 / 2020

Date : 26 June 2020
Place : New Delhi
UDIN : F005123B000358058

CS Manish Gupta

Partner

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The tyre retreading industry witnessed a slow down due to several headwinds resulting from continuing shortage of natural rubber, slower GDP growth leading to weak truck utilization levels, resulting in slow revival of tyre repair and replacement. Q4FY2020 witnessed an unexpected black swan event – COVID 19 pandemic, one of the biggest global health and economic crisis in recent decades.

OPPORTUNITIES AND THREATS

The government had imposed curbs on imports of certain new tyres in a move to promote domestic manufacturing, which will benefit the entire value chain as the domestic tyre production will get a flip. India has the potential to lead in manufacturing of tyre and retreading material, as the world is looking for alternatives to China since global supply chain disrupted due to COVID-19.

Continuing impetus from Government on infrastructure and road development, coupled with earlier reforms like demonetization, GST, stringent overloading restrictions and new axle norms will lead to faster travel and improved productivity of fleet operators. This unlocks humongous opportunity to the tyre and retreading industry.

Fragmented, small and unorganized retreading network across the country will continue to be a threat to the retreading industry, as fleet operators are saddled with poor quality retreaded tyres, diminishing their faith in retreading. The formalization of the economy and this industry is a great opportunity in medium to long term.

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:

Demand for retreading of tyres depends on the usage of the commercial vehicles which in turn depends upon the health of economy, which we hope to come back to normalcy soon. The heavy commercial vehicles' sales nosedived to -42% in FY20, while bus and truck tyre production dropped by 14%, reflecting the difficult financial times for the trucking industry.

Difficult financial conditions are encouraging the fleet owners to increase the share of retreading. Tremendous development in road infrastructure and GST implementation have also improved the average running per day of vehicles, increasing the demand in tyre replacement and retreading industry. With better road infrastructure and GST implementation, the average running of vehicles has gone up which in turn has improved the fleet utilization. This is having a direct growth impact on retreading demand. At present radicalization has reached nearly 53% and is improving the dynamics of retreading, multiplying number of retread opportunities to 2-3 times per life cycle.

Retreading offers an compelling economic value proposition to the fleet operators by providing the life of the new tyre at one third cost and is therefore poised to improve its share, mirroring developed economies.

Electric Mobility:

Government of India has been relentlessly working to make India self-reliant to encourage EV and Hybrid electric vehicles. During the year, Sun Mobility EV Infra (P) Limited, JV Company rapidly grew the network of swapping stations and deployed smart batteries PAN India.

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, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | | Standalone | | Consolidated | |
| 1. | Revenue from operations | 18,677.39 | 16,872.05 | 19102.10 | 17,304.06 |
| | Other income | 457.61 | 505.27 | 468.68 | 518.56 |
| 2. | Total income | 19,135.00 | 17,377.32 | 19570.78 | 17,822.62 |
| 3. | Expenses | | | | |
| | Cost of materials consumed | 12,637.23 | 11,849.14 | 12637.23 | 11,849.14 |
| | Purchases of stock in trade | 16.05 | 19.23 | 16.05 | 19.23 |
| | Changes in inventories of finished goods, stock-in-trade and work in progress | (546.14) | (341.71) | (546.14) | (341.71) |
| | Employee benefits expense | 2,059.81 | 1,774.90 | 2066.51 | 1,774.97 |
| | Depreciation and amortisation expense | 374.32 | 314.03 | 448.89 | 388.63 |
| | Finance costs | 25.00 | 25.67 | 152.76 | 166.15 |
| | Other expenses | 2,897.08 | 2,377.81 | 3059.19 | 2,542.03 |
| 4. | Total expenses | 17,463.35 | 16,019.07 | 17834.49 | 16,398.44 |
| 5. | Profit before Share of Profit/(loss) of Joint Venture and tax | 1671.65 | 1,358.25 | 1736.29 | 1,424.18 |
| 6. | Share of loss of Joint Venture | - | - | 10.40 | 10.00 |
| 7. | Profit Before Tax | 1671.65 | 1,358.25 | 1725.89 | 1,414.18 |
| 8. | Tax expense | | | | |
| | Current tax | 437.14 | 364.32 | 447.43 | 376.96 |
| | Deferred tax | (98.55) | (15.31) | (98.55) | (15.31) |
| | Income tax adjustment for earlier years | 4.96 | (48.14) | 4.96 | (48.14) |
| 9. | Total tax expense | 343.55 | 300.87 | 353.84 | 313.51 |
| 10. | Profit after tax | 1328.10 | 1,057.38 | 1372.05 | 1,100.67 |
| 11. | Other Comprehensive Income (net of tax) | (468.42) | 85.50 | (468.42) | 85.50 |
| 12. | Total Comprehensive Income | 859.68 | 1,142.88 | 903.63 | 1,186.17 |

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 332 regular employees as at March 31, 2020.

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 2019-20 | FY 2018-19 | Change (%) | Explanations |
|---------|-------------------------------|--------------|------------|------------|-------------------------------|
| (i) | Interest Coverage Ratio | 67.87 | 53.91 | 25.88 | Due to increase in EBIT |
| (ii) | Operating Profit Margin (%) | 9.08 | 8.20 | 10.75 | Not applicable |
| (iii) | Net Profit Margin (%) | 7.11 | 6.27 | 13.46 | Not applicable |
| (iv) | Change in Return on Net Worth | 7.12 | 5.56 | 28.12 | Due to increase in net profit |

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

Nand Lal Khemka
Chairman & Managing Director
DIN: 00211084

Place : New Delhi
Date : June 26, 2020

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, 2020, 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, 2020 with their attendance at the Board Meetings held during the year 2019-2020 and at the last Annual General Meeting is given below:

| DIN | Name of the Directors | Number of Board Meetings attended during F.Y. (19-20) | Attendance at the last AGM held on 23.07.2019 | Relationship with other Directors | Number of shares and convertible instruments held by Non-Executive Directors |
|----------|---|---|---|--|--|
| 00211084 | Mr. Nand Lal Khemka (Chairman cum Managing Director) | 4/4 | Yes | Relative of Mr. Shiv Vikram Khemka and Mr. Uday Harsh Khemka | - |
| 00048800 | Mr. Prithvi Raj Khanna | 3/4 | Yes | Nil | Nil |
| 01879913 | Mr. Ranjitha Parameswar | 4/4 | Yes | Nil | Nil |
| 00167802 | Ms. Bindu Saxena | 4/4 | No | Nil | Nil |
| 00507695 | Mr. Harjiv Singh | 2/4 | No | Nil | Nil |
| 00323609 | Mr. Uday Harsh Khemka | 4/4 | Yes | Relative of Mr. Nand Lal Khemka and Mr. Shiv Vikram Khemka | 12,50,750 (Joint Holding with Mrs. Nitya Khemka) |
| 01214671 | Mr. Shiv Vikram Khemka | 4/4 | Yes | Relative of Mr. Nand Lal Khemka and Mr. Uday Harsh Khemka | 12,50,750 (joint holding with Mrs. Urvashi Khemka) |
| 00745117 | Mr. Kewal Krishan Kapur (Whole-time Director) | 4/4 | 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 Rubber Ltd.) | Directorship held in Public Companies and Committee Position(s) | | | |
|---------|-------------------------|---|---|----------------------|---|----------------------|
| | | | Name of the company | Listed or Non-Listed | Committee(s) | Position |
| 1. | Mr. Nand Lal 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. Prithvi Raj 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. Ranjitha Parameswar | 1 | Indag Rubber Limited Non-Executive (Independent) | Listed | Audit Committee Stakeholder Relationship Committee | Chairman Chairman |
| 4. | Ms. Bindu Saxena | 3 | Inox Wind Limited Non-Executive(Independent) | Listed | Audit Committee | Member |
| | | | Indag Rubber Limited Non-Executive (Independent) | Listed | Nil | Nil |
| | | | Eros International Media Limited (Independent) | Unlisted | Nil | Nil |
| 5. | Mr. Harjiv Singh | 1 | Indag Rubber Limited Non-Executive(Independent) | Listed | Nil | Nil |
| 6. | Mr. Uday Harsh Khemka | 1 | Indag Rubber Limited Non-Executive (Interested) | Listed | Nil | Nil |
| 7. | Mr. Shiv Vikram Khemka | 1 | Indag Rubber Limited Non-Executive (Interested) | Listed | Nil | Nil |
| 8. | Mr. Kewal Krishan 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

Four meetings of the Board of Directors were held during the year, viz. on April 20, 2019, July 23, 2019, November 09, 2019 and on January 18, 2020.

(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 18, 2020. 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/?page_id=4196

(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 2019-2020 has been completed.

A chart or a matrix setting out the skills/expertise/competence of the board of directors

| No | Name of the Directors | Competencies | | | | | |
|----|-----------------------|--------------------|---------------------------------|---------------------------------|--------------------|-------------------------|-----------------|
| | | Financial Literacy | Industry experience & knowledge | Leadership & Strategic Planning | Legal & Governance | Technology & Innovation | Risk Management |
| 1 | Mr.Nand Lal Khemka | ✓ | ✓ | ✓ | | ✓ | ✓ |
| 2 | Mr.P R Khanna | ✓ | | ✓ | ✓ | | ✓ |
| 3 | Mr.R Parameswar | ✓ | | ✓ | ✓ | | ✓ |
| 4. | Ms.Bindu Saxena | | | ✓ | ✓ | | ✓ |
| 5 | Mr.Harjiv Singh | | | ✓ | | | ✓ |
| 6 | Mr.Shiv Khemka | | ✓ | ✓ | | ✓ | ✓ |
| 7 | Mr.Uday Khemka | | ✓ | ✓ | | ✓ | ✓ |
| 8 | Mr.K K Kapur | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

(f) All the Independent Director fulfills the conditions specified in the SEBI (LODR) Regulations and are independent of the management.

(g) 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, 2020 out of which two were non-executive (Independent) directors and one was executive director having financial management expertise. Chairman of the committee, Mr. R. Parameswar, (Independent Director) was present at the last Annual General Meeting.

Company Secretary acts as the secretary to the Audit Committee.

Four meetings of the Audit Committee were held during the year viz. on April 19, 2019, July 22, 2019, November 07, 2019 and January 18, 2020 respectively. The details of the members, chairperson and their attendance at the meetings are as follows:

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

IV. Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Nomination and Remuneration Committee assists the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors 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 April 20, 2019 and January 18, 2020. The composition of the Nomination and Remuneration Committee, names of members & chairperson and details of their attendance at the meetings are as follows:

| Name of the Director | Position | Category | No. of meetings attended |
|----------------------|----------|------------------------------------|--------------------------|
| Mr. P. R. Khanna | Chairman | Non-Executive Independent Director | 2 of 2 |
| Mr. R. Parameswar | Member | Non-Executive Independent Director | 2 of 2 |
| Ms. Bindu Saxena | Member | Non-Executive Independent Director | 2 of 2 |
| Mr. Nand Khemka | Member | Executive Promoter Director | 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 2019-2020.

(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 2019-2020 are given below-**

| Name of Director | Salary (in Rs.) | Perquisite (in Rs.) | Sitting fee (in Rs.) | Bonus/ Profit related commission for the year 2019-20 (in Rs.) | Total (in Rs.) |
|--|--------------------|------------------------|-------------------------|---|-------------------|
| Category A- Executive Directors | | | | | |
| Mr.Nand Khemka Chairman cum Managing Director | 84,00,000 | - | - | 7,77,000 | 91,77,000 |
| Mr.K.K.Kpaur CEO & Whole Time Director | 88,05,255 | 1,04,313 | - | 2,67,432 | 91,77,000 |
| Category B- Non Executive Directors | | | | | |
| Mr.P.R.Khanna Independent Director | - | - | 5,90,000 | 6,80,000 | 12,70,000 |
| Mr.R.Parameswar Independent Director | - | - | 7,70,000 | 6,80,000 | 14,50,000 |
| Ms.Bindu Saxena Independent Director | - | - | 4,90,000 | 3,30,000 | 8,20,000 |

| Name of Director | Salary (in Rs.) | Perquisite (in Rs.) | Sitting fee (in Rs.) | Bonus/ Profit related commission for the year 2019-20 (in Rs.) | Total (in Rs.) |
|---|--------------------|------------------------|-------------------------|---|-------------------|
| Mr.Harjiv Singh Independent Director | - | - | 2,50,000 | 1,45,000 | 3,95,000 |
| Mr.Shiv Khemka | - | - | Nil | Nil | Nil |
| Mr.Uday Khemka | - | - | Nil | Nil | Nil |

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

VI. Stakeholders' Relationship Committee

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

(ii) Composition and attendance-

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

- (iii) No. of investors' complaints received by the RTA/ Company during the year: Nil
No. of complaints not solved to the satisfaction of shareholders during the year: Nil
No. of complaints pending as at March 31, 2020: 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 |
|------|---------|-----------------|------------|---|---|
| 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 | 1. Appointment of Mr.Harjiv Singh (DIN-00507695) as an Independent Director of the Company for second term 2. Re-classification of certain Promoters and Promoter Group category shareholders to Public category shareholders. |
| 40th | Tuesday | July 23, 2019 | 11:00 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 two years with effect from June 1, 2019. |

(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>Four special resolutions were passed last year through postal ballot, on below matters:</p> <ol style="list-style-type: none"> a. Reappointment of Mr. P. R. Khanna (DIN-00048800) as an Independent Director for a second consecutive term of 5 years. b. Reappointment of Mr. R. Parameswar (DIN-01879913) as an Independent Director for a second consecutive term of 2 years. c. Reappointment of Ms. Bindu Saxena (DIN-00167802) as an Independent Director for a second consecutive term of 5 years. d. Re-appointment of Shri Nand Lal Khemka (DIN: 00211084) as Chairman cum Managing Director of the Company for a period of five (5) years w.e.f. April 1, 2020 to March 31, 2025 <p>During the year under review, Postal Ballot process was conducted two times, i.e. notice dated March 25, 2019 was sent to the Members for the matters mentioned above in point no. 1, 2 & 3 which was passed on April 26, 2019 and notice dated January 18, 2020 was sent to the Members for the matter mentioned above in point no. 4 which was passed on March 04, 2020.</p> <p>The details of voting pattern were as under-</p> <ol style="list-style-type: none"> 1. Reappointment of Mr. P. R. Khanna (DIN-00048800) as an Independent Director for a second consecutive term of 5 years. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Category</th> <th style="text-align: right;">Votes in Favour</th> <th style="text-align: right;">Votes Against</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td style="text-align: right;">19257750</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Public</td> <td style="text-align: right;">394987</td> <td style="text-align: right;">3383</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">19652737 (99.9828%)</td> <td style="text-align: right;">3383 (0.0172%)</td> </tr> </tbody> </table> <ol style="list-style-type: none"> 2. Reappointment of Mr. R. Parameswar (DIN-01879913) as an Independent Director for a second consecutive term of 2 years. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Category</th> <th style="text-align: right;">Votes in Favour</th> <th style="text-align: right;">Votes Against</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td style="text-align: right;">19257750</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Public</td> <td style="text-align: right;">395017</td> <td style="text-align: right;">3383</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">19652767 (99.9828%)</td> <td style="text-align: right;">3383 (0.0172%)</td> </tr> </tbody> </table> <ol style="list-style-type: none"> 3. Reappointment of Ms. Bindu Saxena (DIN-00167802) as an Independent Director for a second consecutive term of 5 years. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Category</th> <th style="text-align: right;">Votes in Favour</th> <th style="text-align: right;">Votes Against</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td style="text-align: right;">19257750</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Public</td> <td style="text-align: right;">391368</td> <td style="text-align: right;">227</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">19655893 (99.9988%)</td> <td style="text-align: right;">227 (0.0012%)</td> </tr> </tbody> </table> <ol style="list-style-type: none"> 4. Re-appointment of Shri Nand Lal Khemka (DIN: 00211084) as Chairman cum Managing Director of the Company for a period of five (5) years w.e.f. April 1, 2020 to March 31, 2025 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Category</th> <th style="text-align: right;">Votes in Favour</th> <th style="text-align: right;">Votes Against</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td style="text-align: right;">16737745</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Public</td> <td style="text-align: right;">399883</td> <td style="text-align: right;">14660</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">17137628 (99.9145%)</td> <td style="text-align: right;">14660 (0.0855%)</td> </tr> </tbody> </table> | Category | Votes in Favour | Votes Against | Promoters | 19257750 | Nil | Public | 394987 | 3383 | Total | 19652737 (99.9828%) | 3383 (0.0172%) | Category | Votes in Favour | Votes Against | Promoters | 19257750 | Nil | Public | 395017 | 3383 | Total | 19652767 (99.9828%) | 3383 (0.0172%) | Category | Votes in Favour | Votes Against | Promoters | 19257750 | Nil | Public | 391368 | 227 | Total | 19655893 (99.9988%) | 227 (0.0012%) | Category | Votes in Favour | Votes Against | Promoters | 16737745 | Nil | Public | 399883 | 14660 | Total | 17137628 (99.9145%) | 14660 (0.0855%) |
| Category | Votes in Favour | Votes Against | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Promoters | 19257750 | Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public | 394987 | 3383 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 19652737 (99.9828%) | 3383 (0.0172%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Category | Votes in Favour | Votes Against | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Promoters | 19257750 | Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public | 395017 | 3383 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 19652767 (99.9828%) | 3383 (0.0172%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Category | Votes in Favour | Votes Against | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Promoters | 19257750 | Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public | 391368 | 227 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 19655893 (99.9988%) | 227 (0.0012%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Category | Votes in Favour | Votes Against | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Promoters | 16737745 | Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public | 399883 | 14660 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 17137628 (99.9145%) | 14660 (0.0855%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Sl. No. | Particular | Status |
|---------|--|---|
| 2. | Person who conducted the postal ballot exercise | Mr. Kanishk Arora, FCS No.-9575, CP No.-13253, Practicing Company Secretary, of M/s. Kanishk Arora & Associates, was appointed as Scrutinizer for conducting both Postal Ballot exercises. |
| 3. | Whether any special resolution is proposed to be conducted through postal ballot | None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot. None of the business is approved by the Board which requires passing of a special resolution through postal ballot. |
| 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 or Jansatta |
| 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 (Through VC/OAVM):

Day : Friday
Date : September 25, 2020
Time : 03:30 P.M.
Venue : Registered Office of the Company situated at 11 Community Centre, Saket, New Delhi - 110017

(ii) Financial Year : April 01, 2019 to March 31, 2020

(iii) Dividend Payment Date : First Interim Dividend – December 03, 2019
Second Interim Dividend – March 19, 2020

(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 2019-2020

The details of Monthly High and Low price(s) on Bombay Stock Exchange for the financial year 2019-2020 are as under:

| Month | Monthly High | Monthly Low | S&P BSE SENSEX Monthly High | S&P BSE SENSEX Monthly Low |
|-----------------|--------------|-------------|--------------------------------|-------------------------------|
| April, 2019 | 121.00 | 104.00 | 39487.45 | 38460.25 |
| May, 2019 | 108.00 | 92.10 | 40124.96 | 36956.1 |
| June, 2019 | 98.70 | 70.00 | 40312.07 | 38870.96 |
| July, 2019 | 89.00 | 66.05 | 40032.41 | 37128.26 |
| August, 2019 | 80.00 | 68.60 | 37807.55 | 36102.35 |
| September, 2019 | 76.00 | 70.00 | 39441.12 | 35987.8 |
| October, 2019 | 79.90 | 67.65 | 40392.22 | 37415.83 |
| November, 2019 | 86.90 | 69.00 | 41163.79 | 40014.23 |
| December, 2019 | 77.30 | 66.25 | 41809.96 | 40135.37 |
| January, 2020 | 109.00 | 71.00 | 42273.87 | 40476.55 |
| February, 2020 | 98.00 | 80.00 | 41709.3 | 38219.97 |
| March, 2020 | 87.75 | 50.00 | 39083.17 | 25638.90 |

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, 2020:

| No. of equity shares held | Number of Shareholder | % to total numbers | Share holding amount (Rs.) | % to total amount |
|---------------------------|-----------------------|--------------------|----------------------------|-------------------|
| Up To 5,000 | 5405 | 95.82 | 3228616 | 6.15 |
| 5,001 To 10,000 | 96 | 1.7 | 733264 | 1.4 |
| 10,001 To 20,000 | 56 | 0.99 | 754734 | 1.44 |
| 20,001 To 30,000 | 28 | 0.5 | 678270 | 1.29 |
| 30,001 To 40,000 | 12 | 0.21 | 415512 | 0.79 |
| 40,001 To 50,000 | 3 | 0.05 | 139182 | 0.27 |
| 50,001 To 1,00,000 | 19 | 0.34 | 1414912 | 2.7 |
| 1,00,000 and Above | 22 | 0.39 | 45135510 | 85.97 |
| Total | 5641 | 100 | 52500000 | 100 |

xi) Categories of Shareholding as on March 31, 2020:

| Category | No. of Shares held | % of Shareholding |
|---|--------------------|-------------------|
| Promoter and Promoter Group | | |
| Individuals | 11285010 | 42.99 |
| Bodies Corporate-Indian | 7459740 | 28.42 |
| Bodies Corporate- Foreign | 513000 | 1.95 |
| Public | | |
| Individuals shareholders | 4632077 | 17.65 |
| Bodies Corporate | 891322 | 3.39 |
| NBFCs Registered with RBI | 99860 | 0.38 |
| Non Resident Indians | 250329 | 0.95 |
| Resident Indian HUF | 199275 | 0.76 |
| Clearing Members/ House | 39906 | 0.15 |
| Foreign Portfolio Investors | 595000 | 2.27 |
| Investor Education and Protection Fund Authority Ministry of Corporate Affairs | 246206 | 0.94 |
| Unclaimed Suspense Account | 38275 | 0.15 |
| Total | 26250000 | 100 |

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, 2020, a total of 2,59,93,975 equity shares which form 99.02% 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 2019-2020, the Company has obtained credit rating from ICRA, which has reaffirmed long term rating of “[ICRA]A” on Rs.8 crores (long term fund based) and also reaffirmed 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, 2020 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 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.
- 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-

| Particulars | Amount (in Rs., Lacs) |
|---------------------------|-----------------------|
| As Auditor: | |
| Audit fees | 24.59 |
| Tax Audit fees | 3.41 |
| Certification | 0.30 |
| Reimbursement of expenses | 0.81 |
| Total | 29.11 |

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

During the financial year 2019-2020, 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. **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 2019-2020

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, 2020 from all the Board Members and Senior Management Personnel.

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

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

Date: June 15, 2020
Place: New Delhi

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** (hereinafter referred as 'the Company'), having its Registered Office at 11, Community Centre, Saket, New Delhi - 110017 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) 2015, as amended from time to time (hereinafter referred to as "Listing Regulations").

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) 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 stated below, for the Financial year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority. 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.

| S.No | DIN | Full Name | Designation | Date of Appointment |
|------|----------|-------------------------|--------------------|---------------------|
| 1 | 00211084 | Mr. Nand Lal Khemka | Managing Director | 02-06-1978 |
| 2 | 01879913 | Mr. Ranjitha Parameswar | Director | 21-09-1996 |
| 3 | 00048800 | Mr. Prithvi Raj Khanna | Director | 20-01-2000 |
| 4 | 00745117 | Mr. Kewal Krishan Kapur | Wholetime Director | 09-04-2001 |
| 5 | 00167802 | Ms. Bindu Saxena | Director | 08-10-2014 |
| 6 | 00323609 | Mr. Uday Harsh Khemka | Director | 08-10-2014 |
| 7 | 01214671 | Mr. Shiv Vikram Khemka | Director | 14-08-2015 |
| 8 | 00507695 | Mr. Harjiv Singh | Director | 24-05-2018 |

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
 Firm Registration No. P2001DE16100
 Peer Review No. : 734 / 2020

Date : 26 June 2020
 Place : New Delhi
 UDIN : F005123B00058036

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** (hereinafter referred as 'the Company'), having its Registered Office at 11, Community Centre, Saket, New Delhi - 110017, for the year ended on 31st March, 2020, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("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
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

Date : 26 June 2020
Place : New Delhi
UDIN : F005123B000058091

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.in

ECS MANDATE FORM

| | |
|--|---|
| (In case of Shareholding in Physical form) 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 | (In case of shareholding in Electronic form) 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:

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INDAG RUBBER LIMITED
Report on the Abridged Standalone Financial Statements

The accompanying abridged standalone financial statements, which comprise the abridged Balance Sheet as at 31st March, 2020, the abridged Statement of Profit and Loss, the abridged Statement of Changes in Equity and the abridged Cash Flow Statement, for the year then ended, and related notes, are derived from the audited standalone financial statements of Indag Rubber Limited (hereinafter referred to as "the Company") for the year ended 31st March, 2020. We expressed an unmodified audit opinion on those standalone financial statements vide our report dated 26th June, 2020.

The abridged standalone financial statements do not contain all the disclosures required by the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013 ('the Act') and accounting principles generally accepted in India which were applied in the preparation of the audited standalone financial statements of the Company. Reading the abridged standalone financial statements, therefore, is not a substitute for reading the audited standalone financial statements of the Company.

Management's Responsibility for the Abridged Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of a summary of the audited standalone financial statements in accordance with first proviso to section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014 and are based on the audited standalone financial statements for the year ended 31st March, 2020, prepared in accordance with Indian Accounting Standard (Ind AS) referred to in Section 133 of the Act and accounting principles generally accepted in India.

Auditor's Responsibility

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

Opinion

In our opinion, the abridged standalone financial statements, prepared in accordance with first proviso to section 136(1) of the Act read with Rule 10 of Companies (Accounts) Rules, 2014 are derived from the audited standalone financial statements of the Company for the year ended 31st March, 2020 and are a fair summary of those standalone financial statements.

For Khanna & Annadhanam
Chartered Accountants
(Firm's Regn. No. 001297N)

(Sanjeev Srivastava)
Partner
Membership No.502238
UDIN: 20502238AAAAAK4735

Place: New Delhi
Date: 26th June, 2020

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 accompanying standalone financial statements of **Indag Rubber Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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 a summary of significant accounting policies and other explanatory information.

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 31st March 2020 and 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| The key audit matters | How the matter was addressed in our audit |
|---|---|
| 1) Investments | |
| <p>The Company held current and non-current investments aggregating to Rs.8,241.82 lakhs as on 31st March 2020.</p> <p>We have determined that fair valuation of investments was a key audit matter, specially relating to investments in mutual funds amounting to Rs.3,195.24 lakhs and investment of Rs.1,383.43 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</p> | <p>Our audit procedures on investments included:</p> <ul style="list-style-type: none"> • In the case of investments in mutual funds amounting to Rs.3,195.24 lakhs, we verified the fair value as on 31st March, 2020 with the net asset value of the units given in the statement of accounts received from the mutual funds. • Since the investments in mutual funds are carried at fair value, the uncertainty arising out of Covid-19 is already factored in to a large extent. • In the case of fair valuation of investments held in SRL 142 Holdings Limited, which in turn has invested in a Nigerian oil company, we tested the valuation prepared by the management with reference to estimated oil resources, market price of crude oil and |

| The key audit matters | How the matter was addressed in our audit |
|--|--|
| of significant variables. (Refer Notes 2.16(ii), 5, 11 and 44 to standalone financial statements). | gas prevailing in the international market, the Indian Rupee to US Dollar exchange rate, assumptions as to future production of oil and gas, capital expenditure to be incurred and contracts entered into by the Nigerian Company. |
| 2) Inventories | |
| <p>The Company held inventories of Rs. 3,694.79 lakhs as on 31st March, 2020.</p> <p>Given the value of inventories and number of locations, the valuation and existence of inventories was considered to be a key audit matter. (Refer Notes 2.14, 10 and 44 to the standalone financial statements).</p> | <p>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.</p> <p>Although, we did not participate in the year end physical inventories counting due to Covid-19 lockdown, we applied alternate audit procedures to obtain sufficient appropriate audit evidence regarding existence and conditions of inventories. Management feels that there could be certain delay in liquidating the inventories but the fair value at which inventories are carried will be realised.</p> |
| 3) Trade receivables | |
| <p>Management has recognized allowances for credit losses on trade receivables based on specific known facts and circumstances or customers' abilities to pay. The details of trade receivables and expected credit loss allowances have been disclosed in Note 12 (Refer notes 2.16(iv), 12 and 44 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 specially under Covid-19 situation.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the recoverability of trade receivables with reference to their historical bad debt experience, ageing profiles of the counter parties and historical repayment trends. Because of Covid-19 shutdown during the months of April, May and partially in June, 2020, the recoveries of trade receivables might be delayed but carrying amounts are likely to be realized as per management assessment. |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Corporate Governance Report, 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.

Management's Responsibilities 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 also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material 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 standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) on the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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 with reference to financial statements 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
UDIN: 20502238AAAAAK4735

Place: New Delhi
Date: 26th June, 2020

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)

- (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. The particulars of dues of income-tax, sales-tax, service tax, duty of customs, excise duty, goods and service tax, value added tax and cess as at 31 March, 2020 which have not been deposited 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 |
| Income Tax Act, 1961 | Income tax demand | 16.39 | A.Y. 2017-18 | CIT (Appeals) |
| 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 |
| Gujrat Sales Tax Act, 1969 | Non-Submission of C Forms | 31.11 | 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
UDIN: 20502238AAAAAK4735

Place: New Delhi

Date: 26th June, 2020

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)

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 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are 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. 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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
UDIN: 20502238AAAAAK4735

Place: New Delhi
Date: 26th June, 2020

Abridged Balance Sheet as at 31 March, 2020

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| a. Property, plant and equipment | 2,516.27 | 2,652.69 |
| b. Capital work-in-progress | 1,010.69 | 92.95 |
| c. Other intangible assets | 20.83 | 23.54 |
| d. Financial assets | | |
| i. Investments | 7,706.93 | 9,076.36 |
| ii. Loans | 0.53 | - |
| iii. Other financial assets | 61.81 | 52.03 |
| e. Income tax assets (Net) | 81.41 | 50.06 |
| f. Other non-current assets | 213.08 | 66.50 |
| Total non-current assets | 11,611.55 | 12,014.13 |
| Current assets | | |
| a. Inventories | 3,694.79 | 3,810.49 |
| b. Financial assets | | |
| i. Investments | 534.89 | 834.02 |
| ii. Trade receivables | 3,721.42 | 3,446.48 |
| iii. Cash and cash equivalents | 105.41 | 251.19 |
| iv. Bank balances other than (iii) above | 212.97 | 216.36 |
| v. Loans | 17.57 | 23.44 |
| vi. Other financial assets | 544.13 | 538.02 |
| c. Other current assets | 588.88 | 221.03 |
| Total current assets | 9,420.06 | 9,341.03 |
| Total assets | 21,031.61 | 21,355.16 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| a. Equity share capital | 525.00 | 525.00 |
| b. Other equity | 18,125.96 | 18,500.06 |
| Total equity | 18,650.96 | 19,025.06 |
| Liabilities | | |
| Non-current liabilities | | |
| a. Provisions | 69.15 | 59.50 |
| b. Deferred tax liabilities (Net) | 248.73 | 354.45 |
| Total non-current liabilities | 317.88 | 413.95 |
| Current liabilities | | |
| a. Financial liabilities | | |
| i. Trade payables:- | | |
| - total outstanding dues of micro enterprises and small enterprises | 361.79 | 216.07 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 1,186.58 | 1,227.01 |
| ii. Other financial liabilities | 305.68 | 285.83 |
| b. Provisions | 26.94 | 23.95 |
| c. Other current liabilities | 181.78 | 163.29 |
| Total current liabilities | 2,062.77 | 1,916.15 |
| Total liabilities | 2,380.65 | 2,330.10 |
| Total equity and liabilities | 21,031.61 | 21,355.16 |

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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

Abridged statement of profit and loss for the year ended 31 March, 2020

| | Year ended 31 March 2020 (Rs. / lakh) | Year ended 31 March 2019 (Rs. / lakh) |
|---|---|---|
| I Revenue from operations | 18,677.39 | 16,872.05 |
| II Other income | 457.61 | 505.27 |
| III Total income (I+II) | 19,135.00 | 17,377.32 |
| IV Expenses | | |
| Cost of materials consumed | 12,637.23 | 11,849.14 |
| Purchases of stock in trade | 16.05 | 19.23 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | (546.14) | (341.71) |
| Employee benefits expense | 2,059.81 | 1,774.90 |
| Finance costs | 25.00 | 25.67 |
| Depreciation and amortisation expense | 374.32 | 314.03 |
| Other expenses | 2,897.08 | 2,377.81 |
| Total expenses (IV) | 17,463.35 | 16,019.07 |
| V Profit before tax (III-IV) | 1,671.65 | 1,358.25 |
| VI Tax expense | | |
| Current tax | 437.14 | 364.32 |
| Deferred tax | (98.55) | (15.31) |
| Income tax adjustment for earlier year | 4.96 | (48.14) |
| | 343.55 | 300.87 |
| VII Profit for the year (V-VI) | 1,328.10 | 1,057.38 |
| VIII Other comprehensive income ('OCI') | | |
| i. Items that will not be reclassified subsequently to the statement of profit and loss | | |
| a. Gain/(loss) on change in fair valuation of equity instruments carried at fair value through OCI | (482.63) | 71.71 |
| b. Gain/(loss) on sale of equity and equity related instruments | (13.86) | 16.27 |
| c. Remeasurement gain on defined benefit obligations (net) | 14.36 | 5.31 |
| | (482.13) | 93.29 |
| ii. Income tax relating to items that will not be reclassified subsequently to statement of profit and loss | | |
| a. Current tax | (6.54) | 2.43 |
| b. Deferred tax | (7.17) | 5.36 |
| | (13.71) | 7.79 |
| Total other comprehensive income (VIII) | (468.42) | 85.50 |
| IX Total Comprehensive income for the year (VII+VIII) | 859.68 | 1,142.88 |
| X Earnings per equity share | | |
| Basic and diluted (Rs.) [Nominal value of share Rs. 2] | 5.06 | 4.03 |

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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director
DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director
DIN : 00745117

J.K. Jain

Chief Financial Officer

Abridged Statement of changes in equity for the year ended 31 March, 2020

| | Amount (Rs. / lakh) |
|---|------------------------|
| a. Equity share capital | |
| Balance as at 1 April, 2018 | 525.00 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March, 2019 | 525.00 |
| Balance as at 1 April, 2019 | 525.00 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March, 2020 | 525.00 |

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) | | |
| Balance as at 1 April, 2018 | 0.29 | 450.00 | 1,148.80 | 16,062.07 | 455.05 | 18,116.21 |
| 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 | - | - | - | 1,057.38 | 85.50 | 1,142.88 |
| Dividend paid (including taxes) | - | - | - | 759.03 | - | 759.03 |
| | - | - | - | 298.35 | 85.50 | 383.85 |
| Balance as at 31 March, 2019 | 0.29 | 450.00 | 1,148.80 | 16,360.42 | 540.55 | 18,500.06 |
| Balance as at 1 April, 2019 | 0.29 | 450.00 | 1,148.80 | 16,360.42 | 540.55 | 18,500.06 |
| Profit for the year | - | - | - | 1,328.10 | - | 1,328.10 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | (468.42) | (468.42) |
| Total comprehensive income | - | - | - | 1,328.10 | (468.42) | 859.68 |
| Dividend paid (including taxes) | - | - | - | 1,233.78 | - | 1,233.78 |
| | - | - | - | 94.32 | (468.42) | (374.10) |
| Balance as at 31 March, 2020 | 0.29 | 450.00 | 1,148.80 | 16,454.74 | 72.13 | 18,125.96 |

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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

Abridged Cash flow statement for the year ended 31 March, 2020

| | Year ended 31 March 2020 (Rs. / lakh) | Year ended 31 March 2019 (Rs. / lakh) |
|--|---|---|
| A. Cash flows from/(used in) operating activities | 830.90 | (251.22) |
| B. Cash flows from /(used in) investing activities | 247.64 | 974.44 |
| C. Cash (used in) financing activities | (1,224.32) | (772.58) |
| Net increase/ (decrease) in cash and cash equivalents | (145.78) | (49.36) |
| Cash and cash equivalents at the beginning of the year | 251.19 | 300.55 |
| Cash and cash equivalents at the end of the year* | 105.41 | 251.19 |

*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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

Notes to the abridged financial statements for the year ended 31 March, 2020

(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, 2020.

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
 - ix. Hooghly Holdings Private Limited

Related party transactions:

I The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

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 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Name of parties: | Sale of goods | | Purchase of goods | | Rent paid | |
| - Unipatch Rubber Limited | 158.91 | 53.20 | 0.90 | 0.54 | - | - |
| - Khemka Aviation Private Limited | - | - | - | - | 90.80 | 92.40 |
| - Hooghly Holdings Private Limited | - | - | - | - | 31.20 | - |

| Name of parties: | Reimbursement of expenses received | | Dividend paid | | CSR expenditure | |
|-----------------------------------|---|------|----------------------|--------|------------------------|-------|
| - Unipatch Rubber Limited | - | 0.68 | 46.31 | 28.50 | - | - |
| - Khemka Aviation Private Limited | 1.47 | 1.04 | 244.62 | 150.54 | - | - |
| - Nand and Jeet Khemka Foundation | 0.71 | 1.22 | - | - | - | - |
| - The Nabha Foundation | - | - | - | - | 40.00 | 59.22 |
| - Youth Reach | 0.92 | 0.80 | - | - | 13.00 | 19.00 |
| - Others | - | - | 20.01 | 12.31 | - | - |

| Name of parties: | Reimbursement of expenses paid | | Sale of services | |
|------------------------------------|---------------------------------------|---|-------------------------|---|
| - Khemka Aviation Private limited | 1.61 | - | - | - |
| - Hooghly Holdings Private Limited | 1.69 | - | - | - |
| - Unipatch Rubber Limited | - | - | 4.93 | - |

2 Joint Venture Company

| Name of parties: | Conversion from optionally convertible redeemable preference shares to equity shares | | Reimbursement of expenses received | |
|---------------------------------------|---|---|---|------|
| Sun Mobility EV Infra Private Limited | 140.00 | - | - | 8.36 |

3 Subsidiary Company

| Name of parties: | Investment in equity shares | | Investment in optionally convertible redeemable preference shares | |
|--|------------------------------------|-------|--|----------|
| Sun Mobility EV Infra Private Limited* | - | 10.00 | - | 1,340.00 |

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

(Rs. / lakh)

| Particulars | Year ended | | Year ended | | Year ended | |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |

4 Relatives of Key management personnel

| Name of parties: | Dividend paid | |
|--|---------------|--------|
| - Mrs. Jeet Khemka | 341.84 | 210.36 |
| - Mrs. Urvashi Khemka (Joint holder with Mr. Shiv Vikram Khemka) | 48.78 | 30.02 |

5 Key management personnel

| Name of parties: | Remuneration | | Sitting fees | | Dividend paid | |
|---|--------------|-------|--------------|-------|---------------|-------|
| - Mr. Nand Khemka | 91.77 | 84.00 | - | - | 0.72 | 0.44 |
| - Mr. Uday Harsh Khemka (Joint holder with Mrs. Nitya Mohan Khemka) | - | - | - | - | 48.78 | 30.02 |
| - Mr. K.K. Kapur | 91.77 | 93.96 | - | - | - | - |
| - Mr. J.K Jain | 45.63 | 37.81 | - | - | - | - |
| - Mrs. Manali D Bijlani | 23.92 | 21.92 | - | - | - | - |
| - Ms. Bindu Saxena | 3.30 | 1.46 | 4.90 | 5.50 | - | - |
| - Mr. P.R. Khanna | 6.80 | 5.59 | 5.90 | 13.40 | - | - |
| - Mr. R. Parameswar | 6.80 | 5.11 | 7.70 | 13.80 | - | - |
| - Mr. Harjiv Singh | 1.45 | 2.19 | 2.50 | 8.50 | - | - |

II Balances outstanding at year end :

(Rs. / lakh)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------|---------------------|---------------------|
|-------------|---------------------|---------------------|

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 |

3 Joint Venture Company

| Name of parties: | Investment in equity shares | |
|---|-----------------------------|-------|
| - Sun Mobility EV Infra Private Limited | 150.00 | 10.00 |

| Name of parties: | Investment in optionally convertible redeemable preference shares | |
|---|---|----------|
| - Sun Mobility EV Infra Private Limited | 1,200.00 | 1,340.00 |

| Name of parties: | Reimbursement of expenses receivable | |
|---|--------------------------------------|------|
| - Sun Mobility EV Infra Private Limited | - | 5.02 |

(Rs. / lakh)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------|------------------------|------------------------|
|-------------|------------------------|------------------------|

4 Key management personnel

| Name of parties: | Remuneration | |
|---------------------|--------------|------|
| - Mr. Nand Khemka | 11.94 | - |
| - Mr. K.K. Kapur | 2.67 | - |
| - Ms. Bindu Saxena | 3.30 | 1.46 |
| - Mr. P.R. Khanna | 6.80 | 5.59 |
| - Mr. R. Parameswar | 6.80 | 5.11 |
| - Mr. Harjiv Singh | 1.45 | 2.19 |

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 | 8.04 | - |

| Name of parties: | Trade receivable | |
|---------------------------|------------------|------|
| - Unipatch Rubber Limited | 26.26 | 0.34 |

4.[34] Capital and other commitments

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|---|--|--|
| a. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. 204.44 lakh (As at 31 March, 2019 Rs.56.26 Lakh)] | 1,264.51 | 212.51 |
| b. The Company has other commitments for purchase of goods, services and employee benefits in normal course of business. | | |
| c. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020. | | |
| d. 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 2020 (Rs. / lakh) | As at 31 March 2019 (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 demand which is included under note no. 8 to the standalone financial statements. | 159.15* | 159.15* |
| ii. In respect of the assessment year 2017-18, the Assessing Officer has disallowed expenditure of Rs.57.66 lakh and also made additions amounting to Rs.1.58 lakh under Income Tax Act. The Company has filed an appeal before CIT (Appeals) against the order of the Assessing Officer and the proceedings are in progress. The Company has deposited a sum of Rs.4.11 Lakh against the demand which is included under note no.8 to the standalone financial statements. | 20.50* | - |
| iii. Pending labour cases, being disputed by the Company | 10.81* | 5.31* |
| iv. Demand raised by the Excise Authorities, being disputed by the Company. | - | 6.71* |
| v. Demand raised by the Sales Tax Authorities, being disputed by the Company. | 31.11* | 29.78* |
| vi. 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* |
| Total | 1,466.25 | 1,445.63 |

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

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|--|--|--|
| Bank Guarantee given on behalf of Samyama Jyothi Solar Energy (P) Limited | - | 258.00 |

6.[37] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|---|--|--|
| 1 Principal amount remaining unpaid to any supplier at the end of each accounting year | | |
| - Trade payables | 361.79 | 216.07 |
| - 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

| | Year ended 31 March 2020 (Rs. / lakh) | Year ended 31 March 2019 (Rs. / lakh) |
|-------------------------------|---|---|
| Sale of products manufactured | 18,575.29 | 16,777.37 |
| Sale of traded goods | 29.00 | 31.47 |
| Sale of services | 24.76 | 21.16 |
| Other operational revenue | 48.34 | 42.05 |
| | <u>18,677.39</u> | <u>16,872.05</u> |

8. [13] Cash and cash equivalents

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|--|--|--|
| Components of cash and cash equivalents | | |
| Cash on hand | 2.66 | 3.21 |
| Balances with banks: | | |
| - on current accounts | 63.49 | 125.34 |
| - on cash credit accounts | 39.26 | 122.64 |
| Total cash and cash equivalents | 105.41 | 251.19 |

9 Market value of quoted and unquoted investments

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|---|--|--|
| 9. [5] Non-current investments | | |
| Aggregate amount of quoted investments and market value thereof | 275.76 | 365.67 |
| Aggregate amount of unquoted investments (including mutual funds) | 7,431.17 | 8,710.69 |
| | 7,706.93 | 9,076.36 |
| 9. [11] Current investments | | |
| Aggregate amount of unquoted investments | 534.89 | 834.02 |
| | 534.89 | 834.02 |

10.[41] Fair value measurements

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

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

| | Level | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|---|---------|--|--|
| Measured at fair value through profit or loss | | | |
| Investments | | | |
| - non current | Level 2 | 1,369.38 | 2,108.95 |
| - current | Level 2 | 534.89 | 834.02 |
| Measured at fair value through other comprehensive income | | | |
| Non current investments | | | |
| - Investments in Equity shares(quoted) | Level 1 | 275.76 | 365.67 |
| - Investments in equity oriented mutual funds | Level 2 | 1,459.30 | 1,820.89 |
| - Investments in Capital venture fund (unquoted) | Level 3 | 544.80 | 662.14 |
| - Investment in Compulsory convertible preference shares (Unquoted) | Level 3 | 1,383.43 | 1,383.43 |
| - Investment in equity shares (Unquoted) | Level 3 | 256.51 | 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.

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.

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 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 expects that there are nominal exposure of the Company for foreign exchange and are manageable.

- 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] Estimation uncertainty relating to the global health pandemic COVID-19

The Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the standalone financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

13.[45] Events after the reporting period

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

14 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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INDAG RUBBER LIMITED
REPORT ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated Balance Sheet as at 31st March 2020, the abridged consolidated Statement of Profit and Loss, the abridged consolidated Statement of Changes in Equity and the abridged consolidated Cash Flow Statement, for the year then ended, and related notes, are derived from the audited consolidated financial statements of Indag Rubber Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its jointly controlled entities for the year ended 31st March, 2020. We expressed an unmodified audit opinion on those consolidated financial statements vide our report dated 26th June 2020.

The abridged consolidated financial statements do not contain all the disclosures required by the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013 ('the Act') and accounting principles generally accepted in India which were applied in the preparation of the audited consolidated financial statements of the Company. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Company.

Management's Responsibility for the Abridged Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with first proviso to section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014 and are based on the audited consolidated financial statements for the year ended 31st March, 2020, prepared in accordance with Indian Accounting Standard (Ind AS) referred to in Section 133 of the Act and accounting principles generally accepted in India.

Auditors' Responsibility

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

Opinion

In our opinion, the abridged consolidated financial statements are consistent, prepared in accordance with first proviso to section 136(1) of the Act read with Rule 10 of Companies (Accounts) Rules, 2014 are derived from the audited consolidated financial statements of the Company for the year ended 31st March, 2020 and are a fair summary of those consolidated financial statements.

For **Khanna & Annadhanam**
Chartered Accountants
Firm Registration No.: 001297N

(Sanjeev Srivastava)
Partner
Membership No.: 502238
UDIN : 20502238AAAAAL8017

Place: New Delhi
Date: 26th June, 2020

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 accompanying 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 31st March, 2020, 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 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 the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31st March, 2020, the consolidated profit, consolidated total comprehensive income, 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 audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| The key audit matters | How the matter was addressed in our audit |
|---|--|
| 1) Investments | |
| <p>The Company held current and non-current investments aggregating to Rs.8,241.82 lakhs as on 31st March 2020.</p> <p>We have determined that fair valuation of investments was a key audit matter, specially relating to investments in mutual funds amounting to Rs.3,195.24 lakhs and investment of Rs.1,383.43 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,</p> | <p>Our audit procedures on investments included:</p> <ul style="list-style-type: none"> • In the case of investments in mutual funds amounting to Rs.3,195.24 lakhs, we verified the fair value as on 31st March, 2020 with the net asset value of the units given in the statement of accounts received from the mutual funds. • Since the investments in mutual funds are carried at fair value, the uncertainty arising out of Covid-19 is already factored in to a large extent. • In the case of fair valuation of investments held in SRL 142 Holdings Limited, which in turn has invested |

| The key audit matters | How the matter was addressed in our audit |
|--|--|
| <p>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. (Refer Notes 2.17(ii), 5, 11 and 48 to consolidated financial statements).</p> | <p>in a Nigerian oil company, 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 Indian Rupee to US Dollar exchange rate, assumptions as to future production of oil and gas, capital expenditure to be incurred and contracts entered into by the Nigerian Company.</p> |
| 2) Inventories | |
| <p>The Company held inventories of Rs. 3,694.79 lakhs as on 31st March, 2020.</p> <p>Given the value of inventories and number of locations, the valuation and existence of inventories was considered to be a key audit matter. (Refer Notes 2.17, 10 and 48 to the consolidated financial statements)</p> | <p>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.</p> <p>Although, we did not participate in the year end physical inventories counting due to Covid-19 lockdown, we applied alternate audit procedures to obtain sufficient appropriate audit evidence regarding existence and conditions of inventories. Management feels that there could be certain delay in liquidating the inventories but the fair value at which inventories are carried will be realised.</p> |
| 3) Trade receivables | |
| <p>Management has recognized allowances for credit losses on trade receivables based on specific known facts and circumstances or customers' abilities to pay. The details of trade receivables and expected credit loss allowances have been disclosed in Note 12 (Refer notes 2.19(iv), 12 and 48 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 specially under Covid-19 situation.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the recoverability of trade receivables with reference to their historical bad debt experience, ageing profiles of the counter parties and historical repayment trends. • Because of Covid-19 shutdown during the months of April, May and partially in June, 2020, the recoveries of trade receivables might be delayed but carrying amounts are likely to be realized as per management assessment. |

Other Information

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

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

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

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors are 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 including other comprehensive income, 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 and its jointly controlled entity 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 its jointly controlled entity 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 or 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.1,564.43 lakhs as at 31st March, 2020, total revenues of Rs.435.79 lakhs and net cash outflows amounting to Rs.18.24 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 including other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the 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.

- (e) On the basis of the written representations received from the directors of the Holding Company and its jointly controlled entity as on 31st March 2020 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 31st March 2020 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 31st March 2020.

For **Khanna & Annadhanam**
Chartered Accountants
Firm Registration No.: 001297N

(Sanjeev Srivastava)
Partner
Membership No.: 502238
UDIN : 20502238AAAAAL8017

Place: New Delhi
Date: 26th June, 2020

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)

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 financial statements of Indag Rubber Limited as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of Indag Rubber Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, 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 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 respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 and its subsidiary companies, which are companies incorporated in India, 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 ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies which are companies incorporated in India.

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 to the best of our information and according to the explanations given to us, the Company, and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on, the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Khanna & Annadhanam**
Chartered Accountants
Firm Registration No.: 001297N

(Sanjeev Srivastava)
Partner
Membership No.: 502238
UDIN : 20502238AAAAAL8017

Place: New Delhi
Date: 26th June, 2020

Abridged Consolidated Balance Sheet as at 31 March, 2020

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| a. Property, plant and equipment | 4,081.13 | 4,292.12 |
| b. Capital work-in-progress | 1,010.69 | 92.95 |
| c. Goodwill | 40.85 | 40.85 |
| d. Other intangible assets | 20.83 | 23.54 |
| e. Financial assets | | |
| i. Investments | 7,391.18 | 8,771.01 |
| ii. Loans | 0.53 | - |
| iii. Other financial assets | 61.91 | 52.13 |
| f. Income tax assets (Net) | 81.41 | 50.06 |
| g. Other non-current assets | 213.08 | 66.50 |
| Total non-current assets | 12,901.61 | 13,389.16 |
| Current assets | | |
| a. Inventories | 3,694.79 | 3,810.49 |
| b. Financial assets | | |
| i. Investments | 534.89 | 834.02 |
| ii. Trade receivables | 3,764.05 | 3,446.48 |
| iii. Cash and cash equivalents | 134.92 | 298.29 |
| iv. Bank balances other than (iii) above | 348.00 | 352.04 |
| v. Loans | 17.57 | 23.44 |
| vi. Other financial assets | 544.13 | 581.06 |
| c. Income tax assets (Net) | 0.29 | 2.69 |
| d. Other current assets | 635.38 | 225.43 |
| Total current assets | 9,674.02 | 9,573.94 |
| Total assets | 22,575.63 | 22,963.10 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| a. Equity share capital | 525.00 | 525.00 |
| b. Other equity | 18,200.36 | 18,557.14 |
| Equity attributable to shareholders of the company | 18,725.36 | 19,082.14 |
| Non-controlling interest | 337.28 | 310.65 |
| Total equity | 19,062.64 | 19,392.79 |
| Liabilities | | |
| Non-current liabilities | | |
| a. Financial Liabilities | | |
| i. Borrowings | 990.73 | 1,085.80 |
| b. Provisions | 69.15 | 59.50 |
| c. Deferred tax liabilities (Net) | 248.73 | 354.45 |
| Total non-current liabilities | 1,308.61 | 1,499.75 |
| Current liabilities | | |
| a. Financial liabilities | | |
| i. Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises | 361.79 | 216.07 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 1,218.78 | 1,248.82 |
| ii. Other financial liabilities | 411.64 | 411.79 |
| b. Provisions | 26.94 | 23.95 |
| c. Current income tax liabilities(Net) | - | 4.23 |
| d. Other current liabilities | 185.23 | 165.70 |
| Total current liabilities | 2,204.38 | 2,070.56 |
| Total liabilities | 3,512.99 | 3,570.31 |
| Total equity and liabilities | 22,575.63 | 22,963.10 |

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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

Abridged Consolidated statement of profit and loss for the year ended 31 March, 2020

| | Year ended 31 March 2020 (Rs. / lakh) | Year ended 31 March 2019 (Rs. / lakh) |
|--|---|---|
| I Revenue from operations | 19,102.10 | 17,304.06 |
| II Other income | 468.68 | 518.56 |
| III Total income (I+II) | 19,570.78 | 17,822.62 |
| IV Expenses | | |
| Cost of materials consumed | 12,637.23 | 11,849.14 |
| Purchases of stock in trade | 16.05 | 19.23 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | (546.14) | (341.71) |
| Employee benefits expense | 2,066.51 | 1,774.97 |
| Finance costs | 152.76 | 166.15 |
| Depreciation and amortisation expense | 448.89 | 388.63 |
| Other expenses | 3,059.19 | 2,542.03 |
| Total expenses (IV) | 17,834.49 | 16,398.44 |
| V Profit before Share of Profit/(loss) of Joint Venture and Tax (III-IV) | 1,736.29 | 1,424.18 |
| VI Share of loss of joint venture | 10.40 | 10.00 |
| VII Profit before tax (V-VI) | 1,725.89 | 1,414.18 |
| VIII Tax expense | | |
| Current tax | 447.43 | 376.96 |
| Deferred tax | (98.55) | (15.31) |
| Income tax adjustment for earlier year | 4.96 | (48.14) |
| | 353.84 | 313.51 |
| IX Profit for the year (VII-VIII) | 1,372.05 | 1,100.67 |
| X Other comprehensive income ('OCI') | | |
| i. Items that will not be reclassified subsequently to the statement of profit and loss | | |
| a. Gain/(loss) on change in fair valuation of equity instruments carried at fair value through OCI | (482.63) | 71.71 |
| b. Gain/(loss) on sale of equity and equity related instruments | (13.86) | 16.27 |
| c. Remeasurement gain on defined benefit obligations (net) | 14.36 | 5.31 |
| | (482.13) | 93.29 |
| ii. Income tax relating to items that will not be reclassified subsequently to statement of profit and loss | | |
| a. Current tax | (6.54) | 2.43 |
| b. Deferred tax | (7.17) | 5.36 |
| | (13.71) | 7.79 |
| Total other comprehensive income (X) | (468.42) | 85.50 |
| XI Total Comprehensive income for the year (IX+X) | 903.63 | 1,186.17 |

| | Year ended 31 March 2020 (Rs. / lakh) | Year ended 31 March 2019 (Rs. / lakh) |
|--|--|---|
| Profit for the year attributable to: | | |
| a) Shareholders of the company | 1,345.42 | 1,074.56 |
| b) Non Controlling Interest | 26.63 | 26.11 |
| Other Comprehensive income attributable to: | | |
| a) Shareholders of the company | (468.42) | 85.50 |
| b) Non Controlling Interest | - | - |
| Total Comprehensive income attributable to: | | |
| a) Shareholders of the company | 877.00 | 1,160.06 |
| b) Non Controlling Interest | 26.63 | 26.11 |
| XII Earnings per equity share | | |
| Basic and diluted (Rs.) [Nominal value of share Rs. 2] | 5.13 | 4.09 |

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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

Abridged Consolidated Statement of changes in equity for the year ended 31 March, 2020

| | Amount (Rs. / lakh) |
|---|------------------------|
| a. Equity share capital | |
| Balance as at 1 April, 2018 | 525.00 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March, 2019 | 525.00 |
| Balance as at 1 April, 2019 | 525.00 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March, 2020 | 525.00 |

b. Other equity

| | Reserve and surplus | | | | Other comprehensive income | Total equity attributable to share holders of the Company |
|--|---------------------------------|------------------------------------|---------------------------------|-----------------------------------|----------------------------|---|
| | Capital reserve (Rs. / lakh) | Securities premium (Rs. / lakh) | General reserve (Rs. / lakh) | Retained earnings (Rs. / lakh) | (Rs. / lakh) | (Rs. / lakh) |
| Balance as at 1 April, 2018 | 0.29 | 450.00 | 1,148.80 | 16,101.97 | 455.05 | 18,156.11 |
| 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 | - | - | - | 1,074.56 | 85.50 | 1,160.06 |
| Dividend paid (including taxes) | - | - | - | 759.03 | - | 759.03 |
| | - | - | - | 315.53 | 85.50 | 401.03 |
| Balance as at 31 March, 2019 | 0.29 | 450.00 | 1,148.80 | 16,417.50 | 540.55 | 18,557.14 |
| Balance as at 1 April, 2019 | 0.29 | 450.00 | 1,148.80 | 16,417.50 | 540.55 | 18,557.14 |
| Profit for the year | - | - | - | 1,345.42 | - | 1,345.42 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | (468.42) | (468.42) |
| Total comprehensive income | - | - | - | 1,345.42 | (468.42) | 877.00 |
| Dividend paid (including taxes) | - | - | - | 1,233.78 | - | 1,233.78 |
| | - | - | - | 111.64 | (468.42) | (356.78) |
| Balance as at 31 March, 2020 | 0.29 | 450.00 | 1,148.80 | 16,529.14 | 72.13 | 18,200.36 |

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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

Abridged Consolidated Cash flow statement for the year ended 31 March, 2020

| | Year ended 31 March 2020 (Rs. / lakh) | Year ended 31 March 2019 (Rs. / lakh) |
|---|---|---|
| A. Cash flow from/ (used in) operating activities | 1,045.56 | 11.22 |
| B. Cash flow from/ (used in) investing activities | 259.11 | 981.57 |
| C. Cash (used in) financing activities | (1,468.04) | (1,047.46) |
| Net (decrease) in cash and cash equivalents | (163.37) | (54.67) |
| Cash and cash equivalents at the beginning of the year | 298.29 | 352.96 |
| Cash and cash equivalents at the end of the year* | 134.92 | 298.29 |

*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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

Notes to the abridged consolidated financial statements for the year ended 31 March, 2020

(The note numbers appearing in the brackets “[]” are as they appear in the complete set of consolidated 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, 2020.

2.[45] Segment Reporting

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 2020 | | | Year ended 31 March 2019 | | |
|---|--|------------------|------------------|--|------------------|------------------|
| | Precured Tread Rubber and allied products/services | Power Generation | Total | Precured Tread Rubber and allied products/services | Power Generation | Total |
| Revenue | | | | | | |
| External sales | 18,677.39 | 424.71 | 19,102.10 | 16,872.05 | 432.01 | 17,304.06 |
| Inter Segment Sales | - | - | - | - | - | - |
| Total revenue | 18,677.39 | 424.71 | 19,102.10 | 16,872.05 | 432.01 | 17,304.06 |
| Results | | | | | | |
| Segment results | 1,245.78 | 181.58 | 1,427.36 | 957.15 | 197.67 | 1,154.82 |
| Unallocated Income (net) | | | 110.80 | | | 172.94 |
| Operating profit | | | 1,538.16 | | | 1,327.76 |
| Interest Income | | | 59.95 | | | 55.02 |
| Dividend Income | | | 285.94 | | | 200.30 |
| Interest expenses | | | 147.76 | | | 158.90 |
| Income Tax | | | 353.84 | | | 313.51 |
| other segment | | | (10.40) | | | (10.00) |
| Net Profit after tax | | | 1,372.05 | | | 1,100.67 |
| | | | | | | |
| | As at 31 March 2020 | | | As at 31 March 2019 | | |
| Segment assets | 12,789.79 | 1,818.92 | 14,608.71 | 11,444.78 | 1,872.44 | 13,317.22 |
| Unallocated assets | | | 7,966.92 | | | 9,645.88 |
| Total assets | 12,789.79 | 1,818.92 | 22,575.63 | 11,444.78 | 1,872.44 | 22,963.10 |
| Segment liabilities | 2,380.65 | 141.61 | 2,522.26 | 2,330.11 | 154.40 | 2,484.51 |
| Unallocated liabilities | | | 990.73 | | | 1,085.80 |
| Total liabilities | 2,380.65 | 141.61 | 3,512.99 | 2,330.11 | 154.40 | 3,570.31 |
| Other segment information for the year | | | | | | |
| Capital expenditure | 1,384.73 | - | 1,384.73 | 214.23 | - | 214.23 |
| Depreciation | 374.32 | 74.57 | 448.89 | 314.03 | 74.60 | 388.63 |
| 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
 - x. Hooghly Holdings Private Limited
- e. Affiliate Entities
 - i. SUN Alternate Energy Private Limited

Related party transactions :

I The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

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 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Name of parties: | Sale of goods | | Purchase of goods | | Rent paid | |
| - Unipatch Rubber Limited | 158.91 | 53.20 | 0.90 | 0.54 | - | - |
| - Khemka Aviation Private Limited | - | - | - | - | 90.80 | 92.40 |
| - Hooghly Holdings Private Limited | - | - | - | - | 31.20 | - |

| Name of parties: | Reimbursement of expenses received | | Dividend paid | | CSR expenditure | |
|-----------------------------------|---|------|----------------------|--------|------------------------|-------|
| - Unipatch Rubber Limited | - | 0.68 | 46.31 | 28.50 | - | - |
| - Khemka Aviation Private Limited | 1.47 | 1.04 | 244.62 | 150.54 | - | - |
| - Nand and Jeet Khemka Foundation | 0.71 | 1.22 | - | - | - | - |
| - The Nabha Foundation | - | - | - | - | 40.00 | 59.22 |
| - Youth Reach | 0.92 | 0.80 | - | - | 13.00 | 19.00 |
| - Others | - | - | 20.01 | 12.31 | - | - |

| Name of Parties: | Reimbursement of Expenses Paid | | Sale of services | | Capital advance | |
|------------------------------------|---------------------------------------|---|-------------------------|---|------------------------|----------|
| - Khemka Aviation Private limited | 1.61 | - | - | - | - | - |
| - Hooghly Holdings Private Limited | 1.69 | - | - | - | - | - |
| - Unipatch Rubber Limited | - | - | 4.93 | - | - | - |
| - Sun Mobility Private Limited | - | - | - | - | - | 1,260.00 |

2 **Joint Venture Company**

| Name of parties: | Conversion from optionally convertible redeemable preference shares to equity shares | | Reimbursement of expenses received | |
|---------------------------------------|---|---|---|------|
| Sun Mobility EV Infra Private Limited | 140.00 | - | - | 8.36 |

3 **Affiliate Entities**

| Name of parties: | Repayment of Interest on Loan | | Repayment of Interest on compulsory convertible debentures | |
|--------------------------------------|--------------------------------------|------|---|-------|
| SUN Alternate Energy Private Limited | - | 1.96 | - | 36.48 |

4 Key Management Personnel

(Rs. / lakh)

| Particulars | Year ended | | Year ended | | Year ended | |
|---|---------------------|------------------|---------------------|------------------|----------------------|------------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Name of parties : | Remuneration | | Sitting fees | | Dividend paid | |
| - Mr. Nand Khemka | 91.77 | 84.00 | - | - | 0.72 | 0.44 |
| - Mr. Uday Harsh Khemka (Joint holder with Mrs. Nitya Mohan Khemka) | - | - | - | - | 48.78 | 30.02 |
| - Mr. K.K. Kapur | 91.77 | 93.96 | - | - | - | - |
| - Mr. J.K Jain | 45.63 | 37.81 | - | - | - | - |
| - Mrs. Manali D Bijlani | 23.92 | 21.92 | - | - | - | - |
| - Ms. Bindu Saxena | 3.30 | 1.46 | 4.90 | 5.50 | - | - |
| - Mr. P.R. Khanna | 6.80 | 5.59 | 5.90 | 13.40 | - | - |
| - Mr. R. Parameswar | 6.80 | 5.11 | 7.70 | 13.80 | - | - |
| - Mr. Harjiv Singh | 1.45 | 2.19 | 2.50 | 8.50 | - | - |

5 Relatives of Key Management Personnel

| Name of parties: | Dividend paid | |
|--|----------------------|--------|
| - Mrs. Jeet Khemka | 341.84 | 210.36 |
| - Mrs. Urvashi Khemka (Joint holder with Mr. Shiv Vikram Khemka) | 48.78 | 30.02 |

II Balances outstanding at year end :

(Rs. / lakh)

| Particulars | As at | | As at | |
|-------------|------------------|------------------|------------------|------------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | | | | |

1 Affiliate Entities

| Name of Parties : | Interest payable on loan | |
|----------------------------------|---------------------------------|-------|
| - SUN Alternate Energy Pvt. Ltd. | - | 20.00 |

2 Joint Venture Company

| Name of Parties : | Investment in equity shares | | Investment in optionally convertible redeemable preference shares | |
|---|------------------------------------|-------|--|----------|
| - Sun Mobility EV Infra Private Limited | 150.00 | 10.00 | 1,200.00 | 1,340.00 |

| Name of Parties : | Reimbursement of expenses receivable | |
|---|---|------|
| - Sun Mobility EV Infra Private Limited | - | 5.02 |

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

| Particulars | As at | | As at | |
|-------------|---------------|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |

3 Key Management Personnel

| Name of Parties : | Remuneration | |
|---------------------|--------------|------|
| - Mr. Nand Khemka | 11.94 | - |
| - Mr. K.K. Kapur | 2.67 | - |
| - Ms. Bindu Saxena | 3.30 | 1.46 |
| - Mr. P.R. Khanna | 6.80 | 5.59 |
| - Mr. R. Parameswar | 6.80 | 5.11 |
| - Mr. Harjiv Singh | 1.45 | 2.19 |

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

| Name of Parties : | Trade payables | Trade receivable |
|-----------------------------------|----------------|------------------|
| - Unipatch Rubber Limited | - | 26.26 |
| - Khemka Aviation Private Limited | 8.04 | - |

4.[34] Capital and other commitments

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|--|--|--|
| a. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. 204.44 lakh (As at 31 March, 2019 Rs. 56.26 lakh)] | 1,264.51 | 212.51 |
| b. The subsidiary Company "SUN-AMP Solar India Private limited" has given corporate guarantee to Indian Renewable Energy Development Limited (IREDA) against a loan of Rs 1,290.00 lakhs taken by the step down subsidiary company "Samyama Jyothi Solar Energy Private Limited",. | | |
| c. The Group has other commitments for purchase of goods, services and employee benefits in normal course of business. | | |
| d. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020. | | |
| 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 2020 (Rs. / lakh) | As at 31 March 2019 (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 demand which is included under note no. 8 to the consolidated financial statements. | 159.15* | 159.15* |
| ii. In respect of the assessment year 2017-18, the Assessing Officer has disallowed expenditure of Rs.57.66 lakh and also made additions amounting to Rs.1.58 lakh under Income Tax Act. The Group has filed an appeal before CIT (Appeals) against the order of the Assessing Officer and the proceedings are in progress. The Group has deposited a sum of Rs.4.11 Lakh against the demand which is included under note no. 8 to the consolidated financial statements. | 20.50* | - |
| iii. Pending labour cases, being disputed by the Group. | 10.81* | 5.31* |
| iv. Demand raised by the Excise Authorities, being disputed by the Group. | - | 6.71* |
| v. Demand raised by the Sales Tax Authorities, being disputed by the Group. | 31.11* | 29.78* |
| vi. 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* |
| Total | 1,466.25 | 1,445.63 |

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 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 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.

6.[37] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act, 2006”)

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|---|--|--|
| 1 Principal amount remaining unpaid to any supplier at the end of each accounting year | | |
| - Trade payables | 361.79 | 216.07 |
| - 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

| | Year ended 31 March 2020 (Rs. / lakh) | Year ended 31 March 2019 (Rs. / lakh) |
|--|---|---|
| Sale of products manufactured | 18,575.29 | 16,777.37 |
| Sale of traded goods | 29.00 | 31.47 |
| Sale of services | 24.76 | 21.16 |
| Sale of power generation (net of rebate) | 424.71 | 432.01 |
| Other operational revenue | 48.34 | 42.05 |
| | <u>19,102.10</u> | <u>17,304.06</u> |

8. [13] Cash and cash equivalents

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|--|--|--|
| Components of cash and cash equivalents | | |
| Cash on hand | 2.73 | 3.30 |
| Balances with banks: | | |
| - on current accounts | 92.93 | 172.35 |
| - on cash credit accounts | 39.26 | 122.64 |
| Total cash and cash equivalents | <u>134.92</u> | <u>298.29</u> |

9 Market value of quoted and unquoted investments

| | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|---|--|--|
| 9. [5] Non-current investments | | |
| Aggregate amount of quoted investments and market value thereof | 275.76 | 365.67 |
| Aggregate amount of unquoted investments (including mutual funds) | 7,115.42 | 8,405.34 |
| | <u>7,391.18</u> | <u>8,771.01</u> |
| 9. [11] Current investments | | |
| Aggregate amount of unquoted investments | 534.89 | 834.02 |
| | <u>534.89</u> | <u>834.02</u> |

10.[42] Fair value measurements

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

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

| | Level | As at 31 March 2020 (Rs. / lakh) | As at 31 March 2019 (Rs. / lakh) |
|---|---------|--|--|
| Measured at fair value through profit or loss | | | |
| Investments | | | |
| - non current | Level 2 | 1,369.38 | 2,108.95 |
| - current | Level 2 | 534.89 | 834.02 |
| Measured at fair value through other comprehensive income | | | |
| Non current investments | | 3,919.80 | 4,488.64 |
| - Investments in Equity shares (quoted) | Level 1 | 275.76 | 365.67 |
| - Investments in equity oriented mutual funds | Level 2 | 1,459.30 | 1,820.89 |
| - Investments in Capital venture fund (unquoted) | Level 3 | 544.80 | 662.14 |
| - Investment in Compulsory convertible preference shares (Unquoted) | Level 3 | 1,383.43 | 1,383.43 |
| - Investment in equity shares (Unquoted) | Level 3 | 256.51 | 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.

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.

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 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 Group 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 are manageable.

- 11** Amounts disclosed under abridged consolidated financial statements are same as that shown in the corresponding aggregated heads in the consolidated financial statement prepared in accordance with schedule III to the Companies Act, 2013 or as near thereto as possible

12.[48] Estimation uncertainty relating to the global health pandemic COVID-19

The Group has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the consolidated financial statements. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

13.[49] Events after the reporting period

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

14 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: June 26, 2020

For and on behalf of the Board of Directors

Nand Khemka

Chairman cum Managing Director

DIN : 00211084

Manali D Bijlani

Company Secretary

K. K. Kapur

CEO and Whole Time Director

DIN : 00745117

J.K. Jain

Chief Financial Officer

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