

- **BOARD OF DIRECTORS**
 - Sh. Nand Khemka**
(Chairman cum Managing Director)
 - Sh. S. L. Khemka**
 - Sh. P. R. Khanna**
 - Sh. R. Parameswar**
 - Sh. K. M. S. Ahluwalia**
 - Sh. K. K. Kapur**
(CEO & Whole-Time Director)

- **REGISTERED OFFICE**

11, Community Centre, Saket,
New Delhi-110017

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

- **BANKERS**

State Bank of Bikaner & Jaipur
H D F C Bank

- **STATUTORY AUDITORS**

M/s. S. R. Batliboi & Co. LLP
Chartered Accountants
Golf View Corporate Tower-B
Sector-42, Sector Road, Gurgaon-122002

- **INTERNAL AUDITORS**

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

- **COST AUDITORS**

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

CONTENTS

Notice	3
Director's Report	10
Report on Corporate Governance	16
Auditor's Report	25
Balance Sheet	30
Profit & Loss Account	31
Cash Flow Statement	32
Notes to the Financial Statements	33



INDAG RUBBER LIMITED

CIN L74899DL1978PLC009038

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

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDAG RUBBER LIMITED WILL BE HELD ON FRIDAY, 25TH DAY OF JULY, 2014 AT 10:00 A.M. AT SAI INTERNATIONAL CENTRE, PRAGATI VIHAR, LODHI ROAD, NEW DELHI-110003 TO TRANSACT THE FOLLOWING BUSINESS:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of Accounts for the financial year ended 31st March, 2014; together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**
“RESOLVED THAT pursuant to the recommendation of the Board of Directors, final dividend at the rate of Rs. 6.50/- per equity share of Rs.10/- each, in addition to the interim dividend of Rs. 3.50/- per equity share already paid, thus making a total of Rs. 10/- per equity share for the year ended 2013-14, be and is hereby declared out of the current profits of the company, and that the same be paid to those Members whose name appear on the Company's register of members on 25th July, 2014.”
3. To appoint a Director in place of Shri K.K. Kapur (DIN 00745117), who retires by rotation and being eligible, has offered himself for re-appointment.
4. To appoint Statutory Auditors of the Company, and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**
“RESOLVED THAT M/s. S. R. Batliboi & Co. LLP (Registration no.301003E) Chartered Accountants (erstwhile M/s. S.R. Batliboi & Co. Firm) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 35th Annual General Meeting until the conclusion of the 38th Annual General Meeting on a remuneration plus reimbursement of out-of-pocket expenses, as may be mutually agreed to between the Board of Directors and the Auditors.”

AS SPECIAL BUSINESS:

5. **Fixation of remuneration of the Cost Auditors of the company for the financial year 2014-15.**
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 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. 75,000/- plus service tax as applicable and reimbursement of out of pocket expenses, to M/s. Shome & Banerjee, (Registration No. 000001) Cost Accountants, Cost Auditors of the Company for the financial year commencing from 1st April, 2014 till 31st March, 2015.”
6. **Appointment of Shri. P. R. Khanna (DIN 00048800) as an Independent Director of the Company for a period of five years.**
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**
“Resolved that pursuant to the provisions of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Shri. P. R. Khanna (DIN 00048800), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term up to 31st March 2019.”

7. **Appointment of Shri. R. Parameswar (01879913) as an Independent Director of the Company for a period of five years.**

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

“Resolved that pursuant to the provisions of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Shri. R. Parameswar (DIN 01879913), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term up to 31st March 2019.”

8. **Appointment of Shri. K.M.S. Ahluwalia (00104762) as an Independent Director of the Company for a period of five years.**

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

“Resolved that pursuant to the provisions of Section 149, 150 and 152 and any other applicable provisions of the Companies Act 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Shri. K.M.S. Ahluwalia (00104762), Director of the company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term up to 31st March 2019.”

9. **Increase in borrowing power in terms of Section 180(1)(c) of the Companies Act, 2013.**

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

“RESOLVED THAT in supersession of the resolution passed in the Annual General Meeting held on 21st September, 2007, and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount so borrowed and outstanding at any point of time shall not be in excess of Rs.50 crores (Rupees fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

10. **Creation of Charge/mortgage etc. on Company’s movable or immovable properties in terms of Section 180(1)(a) of the Companies Act, 2013.**

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

“RESOLVED THAT in supersession of the resolution passed in the Annual General Meeting of the Company held on 30th December, 1981 and pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and/or immovable assets and properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial/investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustees to secure the loans, borrowings, debentures, hire purchase and/or working capital facilities and other credit facilities for an amount not exceeding Rs. 50 crores (Rupees fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

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

Manali D. Bijlani
Company Secretary
Membership No.: FCS 4704

Date : April 14, 2014
Place : New Delhi

NOTES

As Indag Rubber Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility or postal ballot to members in terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Rules and Clause 35B of the Listing Agreement, voting by show of hands will not be available to the members at the 35th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A proxy appointed by a member holding more than 10 percent of the total share capital of the Company carrying voting rights shall not act as proxy for any other member.
3. Members/ Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 18th July, 2014 to 25th July, 2014 (both days inclusive).
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
6. Final Dividend of Rs.6.50/- per equity share of Rs. 10/- each has been recommended by the Board of Directors, subject to the approval of the shareholders at the ensuing Annual General Meeting for the year ended on 31st March, 2014 is proposed to be paid on and from 4th August 2014. Interim Dividend for the year 2013-14 of Rs.3.50/- on per equity share of Rs. 10/- each, was paid on 19th November, 2013.
7. Members holding the shares in electronic form are advised to get their bank mandate updated with their respective Depository Participant as the bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. Members holding the shares in physical form are requested to write to the Company for the registration or change of bank mandates for the payment of Dividend
8. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.
9. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding the shares in physical form can submit their PAN details to the Company.
10. Members seeking further information about the accounts are requested to write atleast 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
11. Members are requested to inform the Company's Registrar and Share Transfer Agent i.e. Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 about the changes, if any, in their registered address along with the Pin Code, quoting their Folio Number and DP ID. All correspondence relating to transfer of shares may be sent directly to the aforesaid Registrar and Share Transfer Agent of the Company.
12. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be supplied again at the meeting as a measure of economy.
13. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail the e-voting facility in respect of the resolutions which would be passed at the General Meetings of the Company.
14. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the draft MCA circular, no gifts/coupons shall be distributed at the Meeting.

15. Members are advised not to carry their personal belongings such as bags, eatables, laptops, mobile phones, arms, ammunitions or any other harmful/dangerous objects to the meeting venue.
16. Members may also note that the Notice of 35th Annual General Meeting and Annual Report for the year 2013-14 is also available on the website of the Company www.indagrubber.com for their download.

17. Voting through electronic means/Postal Ballot

- 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 Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to the members of the Company whose name appears on the Register of Members as on 13th June 2014 (end of day) being the Record Date fixed for the purpose, to exercise their right to vote in respect of the resolutions to be passed at the 35th Annual General Meeting. Members who do not have access to e-voting facility, may send their assent or dissent in writing through postal ballot. The Postal Ballot Form is being sent with this Notice along with the self addressed postage prepaid envelope.
- b) The members are requested to carefully read the instructions printed on the Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer, Indag Rubber Limited, 11 Community Centre, Saket, New Delhi 110017 on or before 20th July, 2014. Any Postal Ballot Form received after the said date shall be treated as if the reply from the member has not been received.
- c) **Instructions for e-voting are as under-**
 - i. Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com>
 - ii. Click on Shareholder – Login
 - iii. Enter your User ID and existing password. The User –id is your Demat account number which is (DP-ID + CLIENT –ID)
 - iv. Click Login
 - v. Home page of “e-Voting” appears. Click on e-Voting-Active Voting Cycles
 - vi. Select E-Voting Event Number (EVEN) of Indag Rubber Limited for casting vote in favour or against the Item(s) of business. (Kindly note that vote once casted cannot be modified. For an EVEN, you can log-in any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end date of voting period i.e up to close of July 20, 2014, whichever is earlier).
 - vii. Now you are ready for ‘e-Voting’ as ‘Cast Vote’ page opens. Voting period commences on and from **Friday, July 18, 2014 at 10:00 am and ends on Sunday, July 20, 2014 at 6:00 pm.**
 - viii. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - ix. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - x. Institutional shareholders (ie other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/ JPG format) of the relevant Board resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through email at scrutinizer@indagrubber.com with a copy marked to evoting@nsdl.co.in
- d) The Board of Directors has appointed Ms. Kiran Amarpuri, Practicing Company Secretary, as the Scrutinizer for conducting the e-voting and postal ballot process in a fair and transparent manner.
- e) The e-voting period shall commence on Friday, 18th July, 2014 (10:00 AM) to Sunday, 20th July, 2014 (6:00 PM). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on 13th June, 2014 (cut-off date) may cast their vote electronically. Thereafter, the portal shall be disabled by the NSDL for voting. Members may note that once the vote on a resolution is cast, it cannot be changed subsequently.
- f) The Scrutinizer will submit the report to the Chairman cum Managing Director of the Company after the completion of scrutiny of the e-voting and Postal Ballot Forms on or before 23rd July, 2014.
- g) The results of the e-voting, Postal Ballot and Poll at the AGM venue, shall be announced by the Chairman cum Managing Director of the Company after the Annual General Meeting of the Company. The results declared along with the Scrutinizers Report shall be placed on the Company’s website www.indagrubber.com and on the website of the NSDL within two (2) days of passing of the resolutions at the Annual General Meeting and communicated to the Stock Exchanges.

18. Pursuant to clause 49 of the Listing Agreement, the brief profile of Directors eligible for re-appointment vide item no. 3, 6, 7 and 8 is as follows:

Name of the Director(s)	DIN	Date of Birth	Date of Appointment	Qualifications and experience	Number of shares held in the company	List of outside Directorships held on 31st March, 2014
Shri K.K. Kapur	00745117	15-10-1937	09-04-2001	Post-Graduate in Mathematics and Member of the Institute of Cost and Works Accountants of India. He retired as Chairman cum Managing Director of GAIL.	Nil	- Hind Capital Management Private Limited
Shri P.R. Khanna	00048800	02-07-1933	20-01-2000	Member of the Institute of Chartered Accountants of India, and is serving on the Board of various organizations.	Nil	- Ansal Properties & Industries Ltd. - DCM Shriram Industries Ltd. - Uniproducts India Limited - UTI Asset Management Co. Limited - C & S Electric Ltd. - Select Infrastructure Pvt Ltd. - UTI Capital Pvt Ltd.
Shri R. Parameswar	01879913	17-05-1933	21-09-1996	Holds a Master degree in History and joined the Indian Accounts and Audit Service. He has served as Joint Secretary to the Cabinet and Additional Secretary in the Ministry of Personnel. He retired as a Deputy Comptroller & Auditor General of India.	Nil	Nil
Shri K.M.S. Ahluwalia	00104762	24-09-1946	01-09-2012	Graduate in History and Post Graduate Diploma in Management Sciences from Britain. He holds the unique distinction of having headed the three largest market research Companies in India- IMRB, of which he became the Chief Executive at the age of 30; MARG, which he had set up in 1983, and subsequently ORG, which later merged with MARG in 1996.	Nil	- Future East Film Private Limited - Conscious Food Private Limited - Designer Home Accessories India Private Limited

Explanatory Statement

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

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

On recommendation of Audit Committee at its meeting held on April 14, 2014, the Board has considered and approved appointment of M/s. Shome & Banerjee, Cost Accountants, for the conduct of the Cost Audit at a remuneration of Rs.75,000/- plus service tax and reimbursement of actual travel and out of pocket expenses for the the financial year ending March 31, 2015.

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

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

The resolution at item no.5 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 6, 7 and 8 : Appointment of Sh.P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia as Independent Directors.

Sh. P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia are Independent Directors of the Company, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

Pursuant to Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, it is proposed to appoint Sh.P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia as Independent Directors to hold office for five (5) consecutive years for a term up to 31st March, 2019. Notice(s) has been received from member(s) proposing Sh.P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia as candidates(s) for the office of Independent Director(s) of the company.

Sh.P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Sh.P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia that they meet with the criteria of independence as prescribed both under Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Sh.P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia fulfil the conditions for appointment as Independent Directors; and they are independent of the management.

Brief resume of Sh.P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia, nature of their expertise in specific functional area and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, are provided in this Notice.

Sh.P.R.Khanna, Sh.R.Parnameswar and Sh.K.M.S.Ahluwalia are interested in the resolutions set out respectively at item no.6, 7 and 8 of the Notice with regard to their respective appointments.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item no.6, 7 and 8 of the Notice for the approval of the shareholders.

Item No. 9: Increase in borrowing power in terms of Section 180(1)(c) of the Companies Act, 2013.

The Members of the Company at their Annual General Meeting held on 21st September, 2007 approved under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the company, provided that the total amount of such borrowing together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 200% of the aggregate of the paid up share capital of the Company and its free reserves.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass the Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item no.9 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the company. Approval of members is being sought to borrow money up to Rs. 50 crores (Rupees fifty crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.9.

Item No. 10: Creation of Charge/mortgage etc. on Company's movable or immovable properties in terms of Section 180(1)(a) of the Companies Act, 2013.

The Members of the Company at their Annual General Meeting held on 25th September, 1990 approved under Section 293(1)(a) of the Companies Act, 1956, for creating mortgage or charge on its moveable and immovable properties.

Section 180(1)(a) of the Companies Act, 2013 requires that the Board of Directors shall not create mortgage or charge on its movable or immovable properties, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass the Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item no.10 of the Notice, to enable the Board of Directors to create mortgage or charge on its movable or immovable properties up to Rs. 50 crores (Rupees fifty crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the proposed resolution.

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

Date : April 14, 2014
Place : New Delhi

Manali D. Bijlani
Company Secretary
Membership No.: FCS 4704



INDAG RUBBER LIMITED

CIN L74899DL1978PLC009038

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

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

DIRECTORS' REPORT

To
THE MEMBERS,

Your Directors are pleased to present the 35th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

Particulars	2013-14 (Rs. In lacs)	2012-13 (Rs. in lacs)
Sales and Operating Income	23391.79	23627.60
Profit before Finance Cost and Depreciation	3872.79	3556.96
Finance Cost	18.90	16.69
Profit before Depreciation	3853.89	3540.27
Depreciation	252.15	248.79
Profit before tax	3601.74	3291.48
Profit after tax	2754.51	2497.38
Transfer to General Reserve	280.00	250.00
Interim Dividend	183.75	131.25
Proposed Final Dividend	341.25	288.75

OPERATIONAL PERFORMANCE

During the year under review the turnover of your company was Rs. 234.60 crore against Rs. 236.30 crore in the previous year. The profit before tax during the year however was higher by 10% viz. Rs. 36.06 crore compared to Rs. 32.91 crore in the previous year. Higher profit was achieved mainly through improvement in operational efficiency and marketing efforts.

DIVIDEND

During the year your Directors declared an Interim dividend of Rs. 3.50 per share on October 29, 2013 which has been paid.

The Directors are pleased to recommend a final dividend of Rs. 6.50 per equity share thus making a total dividend of Rs. 10 per equity share for the financial year 2013-2014. The dividend is tax free in the hands of the Members.

INDUSTRY EXPERIENCE

The transport industry in the country has gone through a challenging period during the current year as reflected by a drop of nearly 26% in the domestic sale of commercial vehicles in the first ten months ending January, 2014, compared to corresponding period of the previous year. This slow down in transport industry has impacted the retread industry also.

OPPORTUNITIES AND THREATS

Construction of good quality roads all over the country will make road transport much more efficient and competitive vis-à-vis other means of transport. This will open greater opportunities for the transport and retread industry also. While a number of good quality roads have been constructed in last 10-15 years, a lot remains to be done.

However retreading sector is highly fragmented. A section of retreading industry does not adhere to good quality standards posing a threat to the industry as a whole.

RISKS AND THEIR MITIGATION

The Company is exposed to various risks which are normal in any business enterprise. The main ones, and the steps undertaken to mitigate these risks are mentioned below:-

- Financial risk: Credit risk on account of material supplied to customers has been mitigated to a large extent by insisting on number of parties to pay against delivery. In some cases, PDC's are taken against supplies. The risk of delayed payment from STU's is controlled and managed by rigorous follow-up, supply of good quality tread etc., and obtaining PDC before delivery wherever possible.
- Increase in prices of raw materials: Normal increase in prices of raw materials is generally factored while fixing product prices to the customers. Unexpected increases however do affect profitability till prices are revised to meet the increased costs. In case of fixed price contracts, mainly with STUs, unprecedented increase in raw material prices has serious impact on margins. Some STUs do not agree to tread prices being indexed to prices of raw material.
- Changes in government's policies: Changes in government policies can at times materially affect Company's financial position or investments. There is not much that can be done about it.
- Operational risk: Preventive maintenance is carried out to achieve high level of machine availability. Adequate inventory of stocks at each stage of operation is maintained to keep production going in case of any breakdown.
- Product risk: Research and development is continuously being undertaken to deliver better products, service and value to end-customers.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control systems and procedures designed to effectively control the operations at its Head Office, Plants and Depots. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining account of assets.

The Company has adequate Budgetary Control System and actual performance is constantly monitored by the management. The Company has well designed organization structure, authority levels and internal guidelines and rules.

Independent Internal Auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out resulting in identification of control deficiencies, opportunities for bridging gaps with best practices. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors.

The External Auditors have evaluated the system of internal controls in the Company and have reported that the same is adequate and commensurate with the size of the Company and the nature of its business.

HUMAN RESOURCE DEVELOPMENT

During the year the Company had cordial relations with workers, staff and officers. The shop floor management is done through personal touch, using various motivational tools and meeting their training needs requirements. Your Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of participation. There were 366 regular employees during the years.

COMMITMENT TO QUALITY

Indag recognizes quality and productivity as a pre-requisite for its operations and has implemented Quality Management System ISO 9001:2008 standards at Nalagarh Plant and Head Office.

ENVIRONMENT PROTECTION

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

DIRECTORS

In accordance with the Articles of Association of the Company, Sh.K.K.Kapur, Sh.P.R.Khanna and Sh.R.Parameswar, Directors retire at the ensuing Annual General Meeting. The Company has received requisite notices in writing from members proposing Sh.P.R.Khanna, Sh.R.Parameswar and Sh.K.M.S.Ahluwalia for appointment as Independent Directors.

During the year, Sh. Shiv Vikram Khemka and Sh. Uday Harsh Khemka were appointed as Alternate Directors to Sh. Nand Khemka and Sh. S L Khemka respectively.

Information on the particulars of Director eligible for re-appointment in terms of Clause 49 of the Listing Agreement has been provided in the notes to the notice convening the Annual General Meeting.

AUDITORS

The retiring Auditors of the Company M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them that their re-appointment, if made, would be within the prescribed limits under Section 139 read with Section 141 of the Companies Act, 2013.

AUDITORS' REPORT

The observations of the Auditors are self-explanatory and, do not call for any further comments.

COST AUDITORS

M/s. Shome & Banerjee, Cost Accountants, were appointed as Cost Auditors of the Company to conduct the cost audit for the Financial Year 2013-14.

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

The particulars required to be furnished under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of Board of Directors) Rules, 1988 as amended, are set out in Annexure 'I', which forms part of the report.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, regarding employees is given in Annexure 'II'.

LISTING

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

DEPOSITORY SYSTEM

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, 2014, a total of 50,66,621 equity shares which form 96.50% of the share capital stand dematerialized.

CORPORATE GOVERNANCE

A separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report and the Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed thereto.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report, as required by Clause 49 of the Listing Agreement, is already dealt with in various sections of this 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 2013-14 are in conformity with the requirements of the Companies Act, 1956. 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 217 (2AA) of the Companies Act, 1956, 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; and
- iv) That the Directors have prepared the annual accounts on a "going concern basis".

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

Place : New Delhi
Date : April 14, 2014

Nand Khemka
Chairman cum Managing Director
DIN: 00211084

ANNEXURE “I”

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy

The Company has implemented various energy conservation measures during the financial year which has resulted in the reduction of overall electrical energy and fuel consumption per ton of production. Our Energy Efficiency drive includes:

- Installation of Pet coke based boiler at Nalagarh plant, has resulted in substantial saving in cost of production.
- All air conditioners, lights and computers are shut down after office hours (except at the time work commitments).
- There is an optimum ratio of glass windows to utilize natural daylight and proper insulation/ventilation to balance temperature and reduce heat.
- Indag supports the ‘Green Initiative’ taken by the Ministry of Corporate Affairs (“MCA”) and urges its Members to accept electronic delivery of documents as prescribed by Law and provide valuable support to the Company in conserving the environment by reducing impact of printing.

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

Efforts made in technology absorption are given in prescribed Form (B) as annexed.

C. Foreign Exchange Earning and Outgo

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

Total Foreign Exchange used and earned:

Particulars	2013-14 (Rs. In lacs)	2012-13 (Rs. in lacs)
Foreign Exchange earned	263.62	233.66
Foreign Exchange used	275.31	12.27

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

Place : New Delhi
Date : April 14, 2014

Nand Khemka
Chairman cum Managing Director
DIN: 00211084

FORM - B
(See Rule 2)

Disclosure of particulars with respect to Absorption

Research and development (R&D):

Sustained R&D efforts are being made by the Company to develop improved tread quality and designs, which suit Indian road conditions.

Rs. Nil was spent as Capital Expenditure in R&D. The amount of expenditure on salary with respect to R&D was Rs. 54,82,857/-.

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:-

The Company being quality conscious continually updates technology, and greater emphasis is laid on indigenization and cost reduction. Specific areas in which R&D is carried out by the Company are:

- a) Development of new compounds, patterns and products,
- b) Process changes to further improve quality and consistency of the product.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:-

- We continue to be in a position to offer our Indian customers better and more qualitative products and services in the field of tyre retreading.
- Evaluation and introduction of new raw materials are regularly carried out to offer specific property improvements and thereby to achieve improved product performance.
- New patterns are developed and introduced to obtain specific performance characteristics.

3. Information regarding technology imported during last five years: No technology has been imported during the last five years.

ANNEXURE "II"

PARTICULARS OF EMPLOYEES REQUIRED UNDER PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

Name	Designation	Nature of Duties (Employment)	Gross Remuneration (Rs.)	Qualifications	Date of Commencement of Employment	Total Experience	Age in years	Last Employment
Sh. Nand Khemka	Chairman cum Managing Director	Business Head (Contractual)	2,02,35,150	MS in Foreign Trade and Masters Degree in Business Administration from Columbia University, New York, U.S.A	1 April, 2010	Over 50 years	79	Promoter and Chairman of Indag Rubber Ltd. since incorporation.
Sh. K.K. Kapur	Whole-Time Director & CEO	Business Head (Contractual)	2,02,35,150	Masters in Mathematics, ICWA	9 April, 2001	Over 50 years	76	Enron India Pvt. Ltd.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the Delhi Stock Exchange (DSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Indag Rubber Limited is as under:

I. Company's Philosophy on Code of Governance

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

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

II. Board of Directors

(a) Composition of the Board

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

The Board comprises of six directors, which include two executive directors and four non-executive directors as on March 31, 2014. The Board is primarily responsible for the overall management of the Company's business. The Directors on the Board are from varied fields with wide range of skills and experience. The non-executive directors bring statutory and wider perspective in the Board's deliberations and decisions.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet with the criteria of independence as provided under clause 49 of the listing agreement.

The Composition of the Board of Directors as on March 31, 2014 with their attendance at the Board Meetings held during the year 2013-14 and at the last Annual General Meeting is given below:

DIN	Name of the Directors	Categories of Directors	Number of Board Meetings attended	Attendance at the last AGM held on July 19, 2013	No. of other** Directorship(s) held in Public Companies	No. of Membership(s)/ Chairmanship in Committees (including INDAG)***
00211084	Sh. Nand Khemka (Chairman cum Managing Director)	Executive Promoter (Interested)	4*	Yes	1	2
00297387	Sh. S. L. Khemka	Non-Executive (Interested)	Nil	No	Nil	Nil
00048800	Sh. P. R. Khanna	Non-Executive (Independent)	5	Yes	5	8 (including 4 as chairman)
01879913	Sh. R. Parameswar	Non-Executive (Independent)	5	Yes	Nil	2 (as chairman)
00745117	Sh. K. K. Kapur (Whole-time Director)	Executive (Interested)	5	Yes	Nil	1
00104762	Sh. K. M. S. Ahluwalia	Non-Executive (Independent)	1	No	Nil	1
01214671	Sh. Shiv Vikram Khemka	Alternate Director of Nand Khemka	Nil	NA	Nil	Nil
00323609	Sh. Uday Harsh Khemka	Alternate Director of S L Khemka	Nil	NA	Nil	Nil

*Sh. Nand Khemka participated in the Board Meeting held on 17th September, 2013 through tele-conferencing facility.

** It does not include Alternate Directorship, Directorship in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

*** Membership / Chairmanship of only Audit Committee and Shareholders/Investors Grievance Committee in all public limited companies (including Indag Rubber Limited) has been considered.

- (b) Five meetings of the Board of Directors were held during the year, viz. on 10th May, 2013, 19th July, 2013, 17th September, 2013, 29th October, 2013 and 18th January, 2014. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Clause 49 of the Stock Exchange Listing Agreement was placed before the Board from time to time.

III. Audit Committee

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

Five meetings of the Audit Committee were held during the year viz. on 10th May, 2013, 19th July, 2013, 17th September, 2013, 29th October, 2013 and 18th January, 2014, respectively. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

Name of the Director	Position	Category	No. of meetings attended
Sh. R. Parameswar	Chairman	Non-Executive Independent Director	5
Sh. P. R. Khanna	Member	Non-Executive Independent Director	5
Sh. K. M. S. Ahluwalia	Member	Non-Executive Independent Director	1
Sh. Nand Khemka	Member	Executive Promoter Director	4*

*Sh. Nand Khemka participated in the Audit Committee Meeting held on 17th September, 2013 through tele-conferencing facility.

- (b) Terms of reference: The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956.

IV. Remuneration Committee

The Board has framed remuneration policy, which is generally in line with the existing industry practice and applicable laws.

Name of the Director	Position	Category
Sh. Nand Khemka	Chairman	Executive Promoter Director
Sh. R. Parameswar	Member	Non-Executive Independent Director
Sh. P. R. Khanna	Member	Non-Executive Independent Director

Terms of reference: The Remuneration Committee has been constituted to oversee the method, criteria and quantum of compensation for directors based on their performance and defined assessment criteria.

Remuneration policy: The Company has paid the following remuneration to Directors during the year under review, which is in accordance with the provisions of the Companies Act, 1956 and section 177(4) of the Companies Act, 2013

a. Non-Executive Directors

The remuneration of Non-Executive Directors of the Company is decided by the Board of Directors. The Non-Executive Directors are paid remuneration by way of Commission and Sitting fee. In terms of approval of the members at the 34th Annual General Meeting of the Company held on July 19, 2013, Commission is paid not exceeding one percent of the net profits of the Company calculated in accordance with the provisions of section 198, 349 and 350 of the Companies Act, 1956. The distribution of Commission amongst the Non-Executive Directors is determined by the Board broadly on the basis of contribution made at the Board meeting(s) as well as various Committee meeting(s) and the time spent on operational matters.

Name of the Director	Relationship with other Directors	Business relationship with the company, if any	Sitting fee paid during 2013-14 (Rs.)	Commission paid for the year (Rs.)		Number of shares and convertible instruments held
				2013-14	2012-13	
Sh. S. L. Khemka	Brother of Sh. Nand Khemka	Nil	Nil	Nil	Nil	Nil
Sh. P. R. Khanna	Nil	Nil	2,00,000	17,00,000	16,06,974	Nil
Sh. R. Parameswar	Nil	Nil	2,20,000	17,00,000	16,06,974	Nil
Sh. K. M. S. Ahluwalia	Nil	Nil	40,000	6,47,420	5,00,000	Nil

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

b. Whole Time Director

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2013-14 (Rs. in lacs)			
			All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Sh. K. K. Kapur	Nil	CEO&Whole time Director	202.35	202.35	-	-

- Bonus for the year 2013-2014 amounted to Rs. 141.94 lacs.
- The appointment is subject to termination by giving one month notice in writing on either side. Sh. K. K. Kapur has been re-appointed as the Whole Time Director w.e.f. June 1, 2011 for a period of five years.
- The Company does not have at present any scheme for grant of Stock Options to its Directors or Employees.

c. Managing Director

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2013-14 (Rs. in lacs)			
			All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Sh. Nand Khemka	Brother of Sh. S. L. Khemka	Chairman cum Managing Director	202.35	202.35	-	-

- a. Bonus for the year 2013-2014 amounted to Rs. 148.35 lacs.
- b. The appointment is subject to termination by giving one month notice in writing on either side. Sh. Nand Khemka has been appointed as the Managing Director w.e.f. April 1, 2010.
- c. The Company does not have at present any scheme for grant of Stock Options to its Directors or Employees.

V. Shareholders' Committee

- (i) The Share Transfer and Shareholders' Grievance Committee looks into shareholders' and investors' grievances. Sh. R. Parameswar, Non-Executive Independent Director is the Chairman of the Committee. The Board has designated Mrs. Manali D. Bijlani, Company Secretary as the Compliance Officer.
- (ii) No. of investors' complaints received by the RTA/ Company during the year: 3
No. of complaints not solved to the satisfaction of shareholders during the year: Nil
No. of complaints pending as at 31st March 2014: Nil

Warning against Insider Trading

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

VI. General Body Meetings

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

AGM	Day	Date	Time	Venue	Special Resolution passed
32nd	Tuesday	09th August 2011	10:00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	Re-appointment of Sh. K.K.Kapur as the Whole-time Director (designated as Chief Executive Officer) of the Company for a period of five years with effect from June 1, 2011 and fixation of his remuneration; pursuant to provisions of Section(s) 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956.
33rd	Saturday	14th July 2012	10:00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	Nil

AGM	Day	Date	Time	Venue	Special Resolution passed
34th	Friday	19th July 2013	10.00 A.M.	Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	To fix the payment of commission to the non-executive directors not exceeding 1% of the net profits of the company for each financial year computed in accordance with the provisions of section 198 of the Companies Act, 1956, to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time, for a period of five years commencing from 1st April, 2013.

The details of Special Resolution(s) passed through Postal Ballot are as under: No special resolution was passed in the year 2013-2014 through Postal Ballot.

VII. Disclosures

During the financial year ended 31st March, 2014 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

Neither were any penalties imposed, nor were any strictures passed on any capital market related matters during the last three years.

Pursuant to the circular issued by SEBI compliance has been made for converting 100% of promoter & promoter's group shareholding in dematerialized form. The promoter's shareholding was diluted from 77.2% to 75% by 31st May 2013, as per the requirement of listing agreement.

The Company has not announced any formal Whistle Blower policy. However no personnel have been denied access to the Audit Committee.

The Company has complied with the mandatory requirements of the Listing Agreement. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.

VIII. Means of Communication

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

IX. General Shareholders' Information

(i) Annual General Meeting to be held:

Day	: Friday
Date	: 25th July 2014
Time	: 10:00 A.M.
Venue	: Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi

(ii) Financial Year : 1st April, 2013 to 31st March, 2014

(iii) Dates of Book Closure : 18th July 2014 to 25th July 2014 (both days inclusive)

(iv) Dividend Payment Date : 4th August 2014

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

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

Delhi Stock Exchange Association Limited
DSE House, 3/1, Asaf Ali Road,
New Delhi – 110 002.

(vi) Stock Code:

ISIN under depository system	INE802D01015
The Stock Exchange, Mumbai	509162
The Delhi Stock Exchange	3939

(vii) Market Price Data: High/Low during each month during the financial year 2013-14:

During the year, there was no trading of Company's securities on Delhi Stock Exchange.

The details of Monthly High and Low price(s) on the Stock Exchange, Mumbai, for the Financial Year 2013-2014 are as under:

Month	Monthly High	Monthly Low	S&P BSE SENSEX Monthly High	S&P BSE SENSEX Monthly Low
April, 2013	228.00	192.25	19,622.68	18,144.22
May, 2013	238.00	210.00	20,443.62	19,451.26
June, 2013	226.00	204.00	19,860.19	18,467.16
July, 2013	212.00	193.00	20,351.06	19,126.82
August, 2013	197.20	169.90	19,569.20	17,448.71
September, 2013	209.40	166.00	20,739.69	18,166.17
October, 2013	257.00	195.00	21,205.44	19,264.72
November, 2013	295.00	230.00	21,321.53	20,137.67
December, 2013	324.75	262.00	21,483.74	20,568.70
January, 2014	300.00	230.00	21,409.66	20343.78
February, 2014	247.80	211.60	21,140.51	19,963.12
March, 2014	295.00	235.60	22,467.21	20,920.98

(viii) Registrar & Share Transfer Agent:

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

(ix) Share Transfer System:

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

(x) Distribution of Shareholding as on March 31, 2014:

No. of equity shares held	Shareholders		% of Shareholding	
	Number	% to total	Total shares	% in total
Up to 500	5211	94.81	400376	7.63
501 to 1000	135	2.46	105286	2.01
1001 to 2000	67	1.22	100026	1.91
2001 to 3000	20	0.36	49587	0.94
3001 to 4000	6	0.11	20896	0.40
4001 to 5000	14	0.25	63110	1.20
5001 to 10000	21	0.38	151746	2.89
10001 and above	22	0.40	4358973	83.03
Total	5496	100.00	52,50,000	100.00

(xi) Categories of Shareholding as on March 31, 2014:

Category	No. of Shares held	% of Shareholding
Indian Promoters	14,77,898	28.15
Foreign Promoters	1,02,600	1.95
Directors & their relatives	23,57,002	44.90
UTI/Financial Institutions & Banks	2,050	0.04
Body Corporate	94,099	1.79
NRI/ OCB/ Clearing House/ Public Trust	78,875	1.51
India Public	11,37,476	21.66
Total	52,50,000	100.00

(xii) Unclaimed Dividend:

The Company is required to transfer dividend which has remained unpaid /unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company was not required to transfer any such amount during the year 2013-14.

(xiii) Dematerialization of shares:

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

As on March 31, 2014, a total of 50, 66,621 equity shares which form 96.50% of the share capital stand dematerialized.

(xiv) Plant Location

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

(xv) Address for Correspondence:

- (a) For Transfer of physical shares, request or 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.
grievances@skylinerta.com
- (b) For any investor grievance : The Company Secretary
Indag Rubber Limited
11, Community Centre, Saket,
New Delhi – 110 017.
Phone no.: (011) 26963172, 26963173
info@indagrubber.com

X Compliance with the Code of Conduct

Pursuant to the requirements of Clause 49(l)(D) of the Listing Agreement, Sh.K.K.Kapur, CEO and Whole time Director confirmed that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2014 from all the Board Members and Senior Management Personnel.

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

Place : New Delhi
Date : April 14, 2014

Nand Khemka
Chairman cum Managing Director
DIN: 00211084

Compliance Certificate

(Pursuant to Clause 49 of the Listing Agreement)

Registration No.: 009038

Nominal Capital: Rs. 7.00 crore

To

The Members of Indag Rubber Limited

We have examined the compliance of conditions of Corporate Governance by Indag Rubber Limited ('the Company'), for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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 all the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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 and on behalf of P. K. Jain & Associates

Date : April 14, 2014

Place : New Delhi

P. K. Jain

Practicing Company Secretary

Membership No.: F 1929

Certificate of Practice No.: 10761

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122002, Haryana, India
Tel : +91-124-464 4000
Fax : +91-124-4644050

REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED FINANCIAL STATEMENTS

To the Board of Directors of Indag Rubber Limited

The accompanying abridged financial statements, which comprise the abridged balance sheet as at March 31, 2014, the abridged statement of profit and loss and abridged cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Indag Rubber Limited ('the Company') as at and for the year ended March 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated April 14, 2014.

The abridged financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") and accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged 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 financial statements derived from the audited financial statements of the Company as at and for the year ended March 31, 2014 are a fair summary of those financial statements, in accordance with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013 and accounting principles generally accepted in India.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm's Registration Number: 301003E

per Anil Gupta

Partner

Membership Number: 87921

Place : Gurgaon

Date : April 14, 2014

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122002, Haryana, India
Tel : +91-124-464 4000
Fax : +91-124-4644050

INDEPENDENT AUDITOR'S REPORT

To the Members of Indag Rubber Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Indag Rubber Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Anil Gupta

Partner

Membership Number: 87921

Place : Gurgaon

Date : April 14, 2014

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular program 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) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion the the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 209(1)(d) of the Companies Act, 1956, related to the manufacture of products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, 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, investor education and protection fund, employees' state insurance, income-tax, wealth tax, sales tax, service tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	139.15	AY 1998-99	Delhi High Court
Himachal Pradesh Tax on entry of Goods into Local Area Act, 2010	Entry Tax	346.29	March 2011, 2011-12, 2012-13 & 2013-14	High Court, Himachal Pradesh
Central Excise Act, 1944	Excise Duty	6.90	April 2006 to March 2009	Assistant Commissioner, Central Excise Division, Chandigarh

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the 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. The Company did not have any outstanding debentures and loan from financial institution during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Anil Gupta

Partner

Membership Number: 87921

Place : Gurgaon

Date : April 14, 2014

Abridged balance sheet as at 31 March 2014

	As at 31 March 2014 (Rs. in lacs)	As at 31 March 2013 (Rs. in lacs)
Equity and liabilities		
Shareholder's funds		
Paid up share capital		
Equity share capital	525.00	525.00
Reserves and surplus		
Capital reserve	30.29	30.29
Securities premium account	450.00	450.00
General reserve	1,118.80	838.80
Surplus in the statement of profit and loss	8,181.86	6,321.57
	10,305.95	8,165.66
Non-current liabilities		
Deferred tax liabilities (net)	139.98	146.85
Long-term provisions	14.81	-
	154.79	146.85
Current liabilities		
Trade payables	1,297.50	1,372.79
Other current liabilities	1,063.18	949.80
Short-term provisions	504.48	441.16
	2,865.16	2,763.75
	13,325.90	11,076.26
Assets		
Non-current assets		
Fixed assets		
Tangible assets	2,283.91	2,307.61
Intangible assets	8.26	14.53
Capital work-in-progress	420.72	46.77
Loans and advances	255.14	362.13
Non-current investments	1,852.31	-
Other non-current assets	0.67	0.62
	4,821.01	2,731.66
Current assets		
Current investments	2,150.58	2,665.44
Inventories	3,186.15	3,162.40
Trade receivables	2,551.81	2,114.45
Cash and bank balances	328.77	181.33
Loans and advances	277.44	212.70
Other current assets	10.14	8.28
	8,504.89	8,344.60
	13,325.90	11,076.26

The accompanying notes forms an integral part of the abridged financial statement.

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

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

Chartered Accountants

ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors

K. K. Kapur

CEO and Whole Time Director

Nand Khemka

Chairman cum Managing Director

per **Anil Gupta**

Partner

Membership no.: 87921

Place : Gurgaon

Date : April 14, 2014

Manali D. Bijlani

Company Secretary

J. K. Jain

Chief Financial Officer

Abridged statement of profit and loss for the year ended 31 March 2014

	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
Revenue		
Revenue from operations (net)	23,223.51	23,462.85
Other income:		
Dividend income on current investments - Non Trade	83.02	96.20
Profit on sale of current investments - Non Trade	50.14	-
Profit on sale / disposal of fixed assets (net)	4.74	46.77
Others	30.38	21.78
Total revenue (I)	23,391.79	23,627.60
Expenses		
Cost of raw materials consumed	15,315.47	16,272.65
Purchase of traded goods	20.10	8.56
Decrease in inventories of finished goods, work-in-progress and traded goods	99.80	136.84
Employee benefits expense:		
Salaries, wages and bonus	1,396.11	1,224.24
Others	127.90	112.08
Finance costs	18.90	16.69
Depreciation and amortisation expenses	252.15	248.79
Other expenses:		
Power and fuel	549.67	518.96
Freight and forwarding charges	532.68	476.13
Others	1,477.27	1,321.18
Total expenses (II)	19,790.05	20,336.12
Profit before tax (I-II)	3,601.74	3,291.48
Tax expenses		
Current tax	856.38	723.68
Deferred tax (credit)/charge	(6.87)	60.72
Income tax adjustment for earlier years	(2.28)	9.70
Total tax expenses	847.23	794.10
Profit for the year	2,754.51	2,497.38
Basic and diluted (Rs.) [Nominal value of shares Rs. 10/- (Previous year Rs. 10/-)]	52.47	47.57

The accompanying notes forms an integral part of the abridged financial statement.

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

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

Chartered Accountants

ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors

K. K. Kapur

CEO and Whole Time Director

Nand Khemka

Chairman cum Managing Director

per **Anil Gupta**

Partner

Membership no.: 87921

Place : Gurgaon

Date : April 14, 2014

Manali D. Bijlani

Company Secretary

J. K. Jain

Chief Financial Officer

Abridged Cash flow statement for the year ended 31 March 2014

	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
A. Cash flow from operating activities	2,463.83	3,230.06
B. Cash (used in) investing activities	(1,745.88)	(2,674.74)
C. Cash (used in) financing activities	(558.88)	(564.15)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	159.07	(8.83)
Cash and cash equivalents at the beginning of the year	121.43	130.26
Cash and cash equivalents at the end of the year	280.50	121.43

Note: The above abridged cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements.

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

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

For and on behalf of the Board of Directors

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

K. K. Kapur
CEO and Whole Time Director

Nand Khemka
Chairman cum Managing Director

Place: Gurgaon
Date : April 14, 2014

Manali D. Bijlani
Company Secretary

J. K. Jain
Chief Financial Officer

Notes to the abridged financial statements for the year ended 31 March 2014

(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 7A of the Companies (Central Government’s) General Rules and Forms, 1956 and clause 32 of the Listing Agreement. These abridged financial statements have been prepared on the basis of the complete set of financial statements for the year ended 31 March 2014.

2.[26] Segment Information

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

Segment Information

Geographical Segments

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

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

The geographical segments considered for disclosure are as follows:

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

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

Revenue by Geographical Market

	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
Domestic	22,271.37	22,438.11
Overseas	952.14	1,024.74
Total	23,223.51	23,462.85

Carrying amount of Segment Trade receivables by Geographical Market

	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
Domestic	2,353.68	1,943.61
Overseas	198.13	170.84
Total	2,551.81	2,114.45

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

3. [27] Related party disclosures

Names of related parties and their relationships

- (a) Key management personnel
 - Mr. Nand Khemka (Chairman cum Managing Director)
 - Mr. K. K. Kapur (Whole Time Director)

- (b) Relatives of key management personnel
 - Mr. Shyam Lal Khemka, brother of Mr. Nand Khemka
 - Mrs. Jeet Khemka, wife of Mr. Nand Khemka
 - Mr. Shiv Vikram Khemka, son of Mr. Nand Khemka
 - Mr. Uday Harsh Khemka, son of Mr. Nand Khemka
 - Mrs. Urvashi Khemka, daughter-in-law of Mr. Nand Khemka
 - Mrs. Nitya Mohan Khemka, daughter-in-law of Mr. Nand Khemka

- (c) Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)
 - Unipatch Rubber Limited
 - Khemka Aviation Private Limited
 - Nand and Jeet Khemka Foundation
 - Khemka & Co. Pvt. Ltd.
 - Pankaj Dilip Pvt. Ltd.
 - Sun Securities Ltd.
 - Sun London Limited
 - Khemka Technical Services Pvt. Ltd.
 - Khemka Instruments Pvt. Ltd.

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

Related party transactions

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

	Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)		Relative of Key Management Personnel		Key Management Personnel		Total
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	
Transactions for the year:							
Purchases (Raw materials, stores, spares and packing materials)							
- Unipatch Rubber Limited	1.30	1.63	-	-	-	1.30	1.63
Rent paid							
- Khemka Aviation Private Limited	69.44	69.44	-	-	-	69.44	69.44
- Mrs. Jeet Khemka	-	-	18.00	18.00	-	18.00	18.00
Remuneration							
- Mr. Nand Khemka *	-	-	-	-	167.70	184.35	167.70
- Mr. K. K. Kapur	-	-	-	-	185.70	202.35	185.70
Sitting fees							
- Mr. Shyam Lal Khemka	-	-	-	0.20	-	-	0.20
Reimbursement of expenses received							
- Unipatch Rubber Limited	15.90	15.84	-	-	-	15.90	15.84
- Khemka Aviation Private Limited	0.64	0.52	-	-	-	0.64	0.52
- Nand and Jeet Khemka Foundation	1.81	1.51	-	-	-	1.81	1.51

* Excluding rent paid of Rs. 18.00 lacs (previous year Rs. 18.00 lacs) to Mrs. Jeet Khemka for his residence.

Related party transactions

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

	Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)		Relative of Key Management Personnel		Key Management Personnel		Total	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Reimbursement of expenses given								
- Unipatch Rubber Limited	0.75	0.47	-	-	-	-	0.75	0.47
Dividend paid								
- Mr. Nand Khemka	-	-	-	-	0.33	0.26	0.33	0.26
- Mrs. Jeet Khemka	-	-	166.77	129.71	-	-	166.77	129.71
- Khemka Aviation Private Limited	112.90	87.81	-	-	-	-	112.90	87.81
- Unipatch Rubber Limited	13.48	18.01	-	-	-	-	13.48	18.01
- Others	15.86	12.34	45.03	35.02	-	-	60.89	47.36
Balances at the year end:								
Loans and advances								
- Unipatch Rubber Limited	2.43	7.52	-	-	-	-	2.43	7.52
Other current liabilities								
- Mr. Nand Khemka	-	-	-	-	96.87	91.00	96.87	91.00
- Mr. K. K. Kapur	-	-	-	-	94.72	92.03	94.72	92.03

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

4. [29] Capital and other commitments

	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	26.18	302.63

5. [30] Contingent liabilities (not provided for) in respect of:

		31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
a)	The Company is under litigation with the revenue authorities regarding an expenditure claimed by the Company arising out of an arbitration award. As per the Company, the expenditure should be allowed to them in the year the arbitrator has passed the award. The department is of the view that the liability is not accrued till the award becomes a rule of court and has therefore disallowed the expenditure in the AY 98-99 (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 lacs against the above demand which is included in the Advance Tax shown under note no. [10].	159.15*	159.15*
b)	Pending Labour cases	5.31*	5.31*
c)	Demands raised by the Sales Tax Authorities, being disputed by the Company.	-	21.00*
d)	Claims against the Company not acknowledged as debts. The Company has deposited Rs. 4.23 lacs against the above claim which is included in the Deposits shown under note no. [10].	4.63*	41.77*
e)	Demand raised by the Excise Authorities, being disputed by the Company.	6.90*	-
f)	Entry tax demand being disputed by the Company (excluding the amount of interest and penalty, if any, which can't be determined at this stage) #	501.41*	350.17*
	Total	686.40	577.40

The Company had obtained a stay of the Himachal Pradesh Government order levying entry tax @ 2% on all goods entering the state with effect from 24th January, 2011. The same has been reduced to 1% w.e.f. July 13, 2011. The Hon'ble High Court while staying the levy in an interim order, directed the Company to deposit 1/3rd of the assessed amount as "deposit" with the state government and furnish a bank guarantee for the balance 2/3rd amount to them. Since the cash payment as per court order is in the nature of deposits, no amount has been charged to the accounts as entry tax. However, the cash deposited so far is Rs. 164.12 lacs (previous year Rs. 107.92 lacs) and bank guarantee furnished is for an amount of Rs. 328.24 lacs (previous year Rs. 215.84).

* 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.

6. [32] Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development (MSMED) Act, 2006:

		31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
1.	The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
2.	The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
3.	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5.	The 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 the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

7. Revenue from operations (net)

	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
Sale of products manufactured	23,038.43	23,334.81
Sale of goods traded	27.43	23.08
Revenue from services provided	94.13	57.00
Other operational revenue	63.52	47.96
	<u>23,223.51</u>	<u>23,462.85</u>

8. Cash and cash equivalents

	31 March 2014 (Rs. in lacs)	31 March 2013 (Rs. in lacs)
Components of cash and cash equivalents		
Cash on hand	3.68	1.67
Balance with banks:		
on current accounts	190.25	91.11
on cash credit accounts	62.48	11.16
on unclaimed dividend accounts *	24.09	17.49
Total cash and cash equivalents	280.50	121.43

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

9. Amounts disclosed under abridged financial statements are same as that shown in the corresponding aggregated heads in the financial statement prepared in accordance with Revised Schedule VI or as near thereto as possible.

10. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

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

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

Chartered Accountants

ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors

per **Anil Gupta**

Partner

Membership no.: 87921

K. K. Kapur

CEO and Whole Time Director

Nand Khemka

Chairman cum Managing Director

Place : Gurgaon

Date : April 14, 2014

Manali D. Bijlani

Company Secretary

J. K. Jain

Chief Financial Officer

Indag Rubber Limited

CIN L74899DL1978PLC009038

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

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

Attendance Slip

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

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at the 35th Annual General Meeting of the company on Friday, the 25th of July, 2014 at 10:00 am Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003 and at adjournment(s) thereof.

(Signature of Member/Proxy Present)

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

Indag Rubber Limited

CIN L74899DL1978PLC009038

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

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

Entry Pass

Folio No./DP ID & Client ID : _____

Name of the Member : _____

(Signature at Attendance Counter)

(Signature at Entry Counter)

(Authorized Signature with Rubber Stamp)

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

Form No.MGT-11: PROXY FORM

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

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

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

- (1) Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him;
- (1) Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him;
- (1) Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him;

as my/our proxy to attend and vote (on a poll) for my/our and on my/our behalf at the 35th Annual General meeting of the Company, to be held on Friday, 25th day of July, 2014 at 10.00 a.m. at Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Number	Resolutions
Ordinary Business	
1	Adoption of Audited Financial Statements for the year ended 31st March, 2014 together with reports of the Auditors and Board of Directors thereon
2	Declaration of Final Dividend for the year 2013-14
3	.Appointment of Sh.K K Kapur, who retires by rotation
4	Appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors for a period of 3 years and fixing their remuneration
Special Business	
5	Fixation of remuneration of M/s Shome & Banerjee, Cost Auditors.
6	Appointment of Sh. P.R. Khanna as an Independent Director for a period of 5 years.
7	Appointment of Sh. R. Parameswar as an Independent Director for a period of 5 years.
8	Appointment of Sh. K.M.S. Ahluwalia as an Independent Director for a period of 5 years.
9	Increase in borrowing power in terms of section 180(1)(c) of the Companies Act 2013.
10	Creation of charge/ mortgage on company's properties in terms of section 180(1)(a) of the Companies Act 2013.

Signed this _____ day of _____ 2014

Affix Revenue Stamp of Re. 1/-

Signature of the Member: _____ Signature of Proxy holder: _____

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

