



ISO 9001 : 2008

## Indag Rubber Limited

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January 16, 2019

The Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers,  
Dalal Towers  
Mumbai-400001

(Company code-1321)  
(Scrip code-509162)

### Sub: Agreement of Indag Rubber Limited with Elcom Systems (P) Ltd.

Dear Sir,

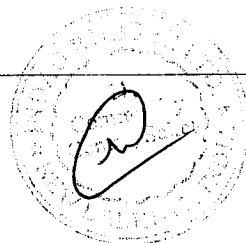
In pursuance of Regulation 30 read with Schedule III Part A, Para A(5), we would like to inform you that Board of Directors in their meeting held on January 15, 2019 has approved to enter into contract(s)/ arrangement(s)/ transaction(s) with Elcom Systems (P) Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(2c) of the Listing Regulations, for sublease of State-of-Art Maintenance, Repair and Overhaul (MRO) facility at Bhiwadi (Rajasthan) to be constructed in two phases with estimated capital cost of Rupees Thirty crores (Rs.30,00,00,000) admeasuring 1,50,000 sq.ft. for a lease period of 9 years 6 months, with lock-in-period of 9 years from the financial year 2019-2020 and onwards on a monthly rent of Rs.36/- per sq.ft. (basic rent of Rs.20/- per sq.ft and rent premium of Rs.16/- per sq.ft) which shall be increased by 12% after every 3 years.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD4/2015 dated 9th September, 2015 are given as under:

Sl. No.	Particular	Details
a.	Name(s) of parties with whom the agreement is entered;	Elcom Systems (P) Ltd
b.	Purpose of entering into the agreement;	Sub-lease of MRO facility to be constructed at Bhiwadi (Rajasthan).
c.	Size of agreement	Sub-lease Agreement for a period of 9 years and 6 months with lease rental of Rs.4.30 crores per annum in the first phase and approx.. Rs.6.50 crores per annum when second phase is added.

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d.	Shareholding, if any, in the entity with whom the agreement is executed;	Elcom Systems (P) Ltd belongs to Khemka Group company.
e.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;	Sub-lease of MRO facility to be constructed with estimated cost of Rs.30 crores (in two phases of Rs.23 crores and Rs.7 crores) admeasuring nearly 100,000 sq.ft. in phase-I and additional 50,000 sq.ft. in phase-II for a lease period of 9 years and 6 months with lock-in period of 9 years. Elcom would pay monthly lease rental of Rs.36/- per sq.ft (basic rent of Rs.20/- per sq.ft and rent premium of Rs.16/- per sq.ft) which shall be increased by 12% after every three years.
f.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;	Indag is promoted by Khemka family and hold 74% (approx.) equity shares. The Board of Indag consists interalia Mr.Nand Khemka (CMD), Mr.Shiv Khemka and Mr.Uday Khemka (Directors)  Elcom Systems (P) Ltd belongs to Khemka Group company.
g.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	Yes, it is a Material Related Party Transaction, subject to the approval of the Members.  Receipt of monthly lease rental of Rs.36/- per sq.ft (basic rent of Rs.20/- per sq.ft and rent premium of Rs.16/- per sq.ft) payable by Elcom Systems (P) Ltd. falls under related party transaction which is at arm's length but not in the "ordinary course of business" of the company.
h.	In case of issuance of shares to the parties, details of issue price, class of shares issued;	Not applicable
i.	In case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/ sanction letter, details of the security provided to the	Not applicable




	lenders for such loan;	
j.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;	NIL
k.	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	Not applicable

Kindly take this on record.

Thanking you,

Yours faithfully,

For **Indag Rubber Limited**

  
**Manali D. Bijlani**  
Company Secretary

