

Hyderabad, 30<sup>th</sup> August, 2023.

To  
The General Manager - Operations,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai – 400 001.

Dear Sir/Ma'am,

**Sub:** Submission of 29<sup>th</sup> Annual Report of Vamshi Rubber Limited for the financial year 2022-23, along with the notice of Annual General Meeting.

**Ref:** Regulation 34 (1) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015.

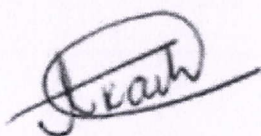
In Compliance with Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, we submit herewith 29<sup>th</sup> Annual Report of the company for the Financial Year 2022-23 along with Notice of the 29<sup>th</sup> Annual General Meeting scheduled on Friday, 22<sup>nd</sup> day of September, 2023 at 11:30 A.M through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Kindly take the above information on records.

We shall be glad to furnish any further information/clarification in this regard.

Yours faithfully,

**for Vamshi Rubber Limited**



**Akash Bhagadia**  
**Company Secretary**  
**Membership Number.: 50559**

## 29<sup>th</sup> Annual Report

2022-23

### VAMSHI RUBBER LIMITED

**Registered office:** 'Vamshi House', Plot No. 41, Jayabheri Enclave, Gachibowli, Hyderabad-500032, Telangana.

#### **Board Of Directors**

Mr. Mereddy Ramesh Reddy	Chairman, Whole-Time Director & Chief Financial Officer
Mr. Surendra Reddy Rachervu	Managing Director & Chief Executive Officer
Mr. Varun Kumar Pasham	Whole-Time Director
Mr. Subba Rao Mogili	Additional Independent, Non-Executive Director
Mr. Neerudu Sandeep Kumar Reddy	Independent, Non-Executive Director
Mrs. Akhila Pushpa Sundari	Independent, Non-Executive Director

#### **Key Managerial Personnel**

Mr. Mereddy Ramesh Reddy	Chairman, Whole-Time Director & CFO
Mr. Surendra Reddy Rachervu	Managing Director & CEO
Mr. Varun Kumar Pasham	Whole-Time Director
Mr. Akash Bhagadia	Company Secretary & Compliance Officer (w.e.f. 30.07.2022)

#### **STATUTORY COMMITTEES**

##### **Audit Committee**

Mr. Neerudu Sandeep Kumar Reddy	Chairman
Mrs. Akhila Pushpa Sundari	Member
Mr. Subba Rao Mogili	Member

##### **Nomination and Remuneration Committee**

Mrs. Akhila Pushpa Sundari	Chairman
Mr. Neerudu Sandeep Kumar Reddy	Member
Mr. Subba Rao Mogili	Member

##### **Stakeholders Relationship Committee**

Mr. Neerudu Sandeep Kumar Reddy	Chairman
Mr. Varun Kumar Pasham	Member
Mr. Subba Rao Mogili	Member

**Corporate Identification Number: L25100TG1993PLC016634**

#### **Registered Office**

'VAMSHI HOUSE', Plot No. 41,  
Jayabheri Enclave, Gachibowli,  
Hyderabad-500032, Telangana  
Phone No.: +91-40-29802533/34  
Fax No.: +91-40-29802535  
E-mail Id: [info@vamshirubber.org](mailto:info@vamshirubber.org)  
Website: [www.vamshirubber.org](http://www.vamshirubber.org)

**Factory**

Survey No. 312/E, Lingo jigudem Village,  
Choutuppal Mandal,  
Yadadri-Bhuvanagiri District - 508252,  
Telangana.

**Statutory Auditors**

M/s CSV Associates  
Flat No. F-2, Trendset Ville,  
Road No. 3, Banjara Hills,  
Hyderabad – 500 034, Telangana.  
Phone No.: 97048 58388

**Internal Auditors**

M/s Ramana Reddy & Associates  
Chartered Accountants  
Unit No. 406, 4<sup>th</sup> Floor,  
Ashoka Capitol, Opp. KBR Park,  
Road No. 2, Banjara Hills,  
Hyderabad – 500 034, Telangana  
Phone No.: 040-23316426/23316912

**Secretarial Auditor**

N.V.S.S. Suryanarayana Rao,  
Practicing Company Secretary  
Plot No.232B, Road No.6, Samathapuri Colony,  
New Nagole Road, Hyderabad 500035, Telangana.

**Bankers**

City Union Bank  
Hyderabad Branch, R.K.Chambers,  
Ground Floor, D.No.3-6-665/1/2/3, Street No.10,  
Himayatnagar, Hyderabad-500 029, Telangana

**Registrars and Share Transfer Agents**

M/s CIL Securities Limited  
214, Raghava Ratna Towers,  
Chirag Ali Lane, Hyderabad – 500 001,  
Telangana  
Phone No.: 040-23203155/23202465  
Fax No.: 040-23203028/66661267  
e-mail id: [rta@cilsecurities.com](mailto:rta@cilsecurities.com)

## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the Company ("**Vamshi Rubber Limited**") will be held on **Friday, 22<sup>nd</sup> day of September, 2023 at 11:30 A.M** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business.

### **ORDINARY BUSINESS**

#### **Item No. 1 – Adoption of financial statements**

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2023 along with Notes, the Reports of the Board of Directors and the Auditors thereon.

#### **Item No. 2 –**

To appoint a director in place of Mr. Ramesh Reddy Mereddy (DIN: 00025101) who retires by Rotation at this Annual General Meeting, and being eligible, offers himself for reappointment.

### **SPECIAL BUSINESS:**

#### **Item No. 3 – To Regularize the Appointment of Mr. Subba Rao Mogili (DIN: 10140999) as Non-Executive Independent Director of the Company.**

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

**"RESOLVED THAT** Mr. Subba Rao Mogili (DIN: 10140999) who was appointed as an Additional Independent Director of the Company with effective from 05.07.2023 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company.

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, Regulation 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Subba Rao Mogili (DIN: 10140999), who had submitted a declaration that he met the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment as an Independent Director of the Company, is not liable to retire by rotation, for a term of five years, i.e., from 05.07.2023 to 04.07.2028 (both days inclusive), be and is hereby approved."

**"RESOLVED FURTHER THAT** any Director of the Company and/or any authorized representative of the Company be and is hereby severally authorized to do all such acts, things and deeds as may be deemed necessary for giving effect to the above stated resolution."



**By order of the Board  
For Vamshi Rubber Limited**

**Date: 11<sup>th</sup> August, 2023  
Place: Hyderabad**

**Sd/-  
R. Surendra Reddy  
Managing Director and CEO  
DIN: 00294240**

**NOTES:**

1. Pursuant to the General Circular nos. 2/2022 dated May 05, 2022 and 19/2021 dated January 13, 2022 and other circulars issued by the Ministry of Corporate Affairs (MCA) from time to time and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM").
2. Pursuant to the above referred circulars issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode shall be open 15 minutes before the time schedule i.e., **11:15 A.M on Friday, 22<sup>nd</sup> Day of September, 2023** by clicking on the link at <https://www.evotingindia.com/> under members login, where EVSN of the Company will be displayed by using the Remote E-voting Credentials and by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction of first come first served basis.
4. The attendance of Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e- voting system as well as venue voting on the date of the AGM will be provided by CDSL.
6. In line with Ministry of Corporate Affairs circular No. 17/2020 dated April 13, 2020, the Notice of the 29th AGM and the Annual Report for 2022-2023 will be available on the Company's website [www.vamshirubber.org](http://www.vamshirubber.org) for download. The notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively and the AGM Notice is also available on the website of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com).

7. Shareholders who would like to express their views/ask questions during the meeting should register themselves as a speaker by sending a request mentioning their name, demat account number/folio number, email id, mobile number at [info@vamshirubber.org](mailto:info@vamshirubber.org) latest by **5.00 P.M. on Thursday, 14<sup>th</sup> September, 2023.**
8. Shareholders who have queries may send their questions in advance mentioning their name, Demat account number/folio number, email id, mobile number at [info@vamshirubber.org](mailto:info@vamshirubber.org) latest by **5.00 P.M. on Thursday, 14<sup>th</sup> September, 2023.**
9. Those shareholders who have registered themselves as a speaker and confirmed by Company will only be allowed to express their views/ask questions during the meeting.
10. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (the Act) in respect of the items of Special Business as set out above is annexed hereto.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
12. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
13. Members intending to seek clarification at the Annual General Meeting concerning the accounts and any aspect of operations of the company are requested to send their questions in writing to the Company so as to reach the company at least 10 (Ten) days in advance before the date of the Annual General Meeting, specifying the points.
14. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the financial year ended 31<sup>st</sup> March, 2016 and thereafter, which remains unclaimed for a period of 7 years from the date of transfer of the same to the unclaimed dividend account as referred in Section 124(5) of the Act, will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March, 2015 or subsequent financial years are requested to make their claim to the Company. It may also be noted that once the unclaimed dividend is transferred to IEP Fund as above, no claim shall lie in respect thereof. Further company will transfer the shares for which dividend has not been claimed from consecutive seven years to IEP Fund as per the provisions of the Companies Act, 2013. Company has already transferred the shares for which dividend has not been claimed for seven consecutive years till 31<sup>st</sup> March, 2016 to IEP Fund.

Information in respect of such unclaimed dividend when due for transfer to the IEP Fund is given below:

<b>Financial Year Ended</b>	<b>Date of Declaration of Dividend</b>	<b>Last Date for claiming Unpaid Dividend</b>
31/03/2016	29/09/2016	13/10/2023

15. Members holding shares in physical form are requested to intimate the following details directly to the Company's Registrar and Share Transfer Agent, M/s. CIL Securities Limited, 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad – 500 001, Telangana.
  - i. Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
  - ii. Changes, if any, in their address at an early date.
  - iii. Application for consolidation of folios, if shareholdings are under multiple folios.
  - iv. Despatch of share certificates for consolidation.
  - v. Request for nomination forms for making nominations as per the provisions of the Companies Act.

16. Members are requested to quote ledger folio numbers in all their correspondences.
17. Members holding shares in dematerialized form (electronic form) are requested to intimate any changes in their respective addresses, bank mandates etc., directly to their respective Depository Participants.
18. The Securities and 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 their PAN to the Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent, M/s. CIL Securities.
19. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
20. **Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting form an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.**
21. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of such amount as mentioned in the Companies Act, 2013.
22. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the RTA by an email to [rta@cilsecurities.com](mailto:rta@cilsecurities.com).
23. The Annual Report for the year ended 31<sup>st</sup> March, 2023 and Notice of the AGM inter alia indicating the manner and process of remote e-voting are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to [info@vamshirubber.org](mailto:info@vamshirubber.org) and [rta@cilsecurities.com](mailto:rta@cilsecurities.com). Please submit duly filled and signed member updation form to the above-mentioned email. Upon verification of the Form the email will be registered with the Company till the date of AGM.
24. Members may also note that the Notice of the 29<sup>th</sup> AGM and the Annual Report for the financial year ending on 31<sup>st</sup> March, 2023 will also be available on the Company's website [www.vamshirubber.org](http://www.vamshirubber.org) for download.
25. Considering the social distancing norm to be followed due to wide spreading COVID-19 Pandemic. All Documents referred to in the accompanying notice and the Explanatory Statement will be sent to the respective shareholder upon receiving the request at the e-mail id [info@vamshirubber.org](mailto:info@vamshirubber.org) of the Company for inspection of the members of the Company.
26. Members are requested to note that the Company's Equity Shares are compulsorily traded in demat form for the investors, effective from 26<sup>th</sup> March 2001. Members are requested to open Depository Account in their names with a Depository participant to dematerialize their holdings. This would be necessary for facilitating the transfers of Company's Equity shares in all Stock Exchanges connected to the Depository System.

27. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
28. **SEBI has made it mandatory for every participant in the Securities/Capital Market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN and Bank Account along with a copy of the PAN card and original cancelled cheque leaf /attested bank passbook showing name of account holder to M/s CIL Securities Limited.**
29. **SEBI made it mandatory for all the shareholders to hold the shares in Dematerialization form. Hence, all the shareholders holding shares in physical form are requested to convert their Physical shares in Demat form, so the liquidity of shares is not affected.**
30. **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (remote e-voting) to all its members. The company has engaged the services of Central Depository Services Limited (CDSL) to provide remote e-voting facilities and enabling the members to cast their vote in a secured manner. This facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the following voting period:

Commencement of remote e-voting	:	<b>From 09.00 A.M on 19.09.2023</b>
End of remote e-voting	:	<b>Up to 05.00 P.M on 21.09.2023</b>

- (a) Remote e-voting shall not be allowed beyond 05.00 P.M on 21.09.2023. During the Remote e-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for remote e-voting is 08.09.2023.
- (b) The company has engaged the services of CDSL as the Authorized Agency to provide remote e-voting facilities.
- (c) The company has appointed Mr. N.V.S.S. Suryanarayana, Practicing Company Secretary (M. No: 5868), as 'scrutinizer' for conducting and scrutinizing the remote e-voting process in a fair and transparent manner.
- (d) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

It also helps the shareholders to cast their vote from anywhere and at any time during Remote e-voting period.

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility.

**PURSUANT TO ABOVE SAID SEBI CIRCULAR, LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e., CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.  If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>3) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once</li> </ol>

	the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in Demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to Login through Depository i.e., CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**A. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING IN DEMAT FORM & PHYSICAL SHAREHOLDERS.**

- (i) The shareholders should log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to



CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com)
- (vi) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Vamshi Rubber Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- b. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- iii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iv. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- v. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vi. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 4 days prior to meeting mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 4 days prior to meeting mentioning their name, Demat account number/folio number, email id, mobile number at [info@vamshirubber.org](mailto:info@vamshirubber.org). These queries will be replied to by the company suitably by email.
- vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### **C. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

### **D. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

- i. Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iv. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@vamshirubber.org](mailto:info@vamshirubber.org), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

31. The Scrutinizer shall immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and the e-voting at the time of AGM within a period not exceeding two (2) working days from the conclusion of the meeting make a

consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.

32. The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website and communicated to BSE Limited where the shares of the Company are listed for placing the same on their website.

**By order of the Board  
For Vamshi Rubber Limited**

**Date: 11<sup>th</sup> August, 2023  
Place: Hyderabad**

**Sd/-  
R. Surendra Reddy  
Managing Director and CEO  
DIN: 00294240**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Statement, as required under Section 102 of the Companies Act, 2013, sets out all material facts relating to the items of Special Business mentioned in the accompanying Notice dated 11.08.2023:

### **ITEM NO. 3**

#### **To Regularize the Appointment of Mr. Subba Rao Mogili (DIN: 10140999) as an Independent Director of the Company.**

Mr. Subba Rao Mogili (DIN: 10140999) on the recommendation of Nomination and Remuneration Committee was appointed as the Additional Director of the Company w.e.f. 05.07.2023 by the Board in accordance with the Articles of Association and Section 161 of the Companies Act, 2013 ("The Act"). and as per the act, Mr. Subba Rao Mogili (DIN: 10140999) holds office up to the ensuing Annual General Meeting. Mr. Subba Rao Mogili (DIN: 10140999), holds the requisite Knowledge, expertise, experience and Skill for the position of Director. The Board on the recommendation of Nomination and Remuneration Committee and subject to the approval of members in the AGM, has accorded its consent, to appoint Mr. Subba Rao Mogili (DIN: 10140999), as the Independent Director of the company.

None of the Directors, KMP's of the company and their relatives thereof are interested in the proposed resolution. The Board of Directors recommend passing of the resolution set out in the Item No. 3 of this notice

**By order of the Board  
For Vamshi Rubber Limited**

**Sd/-**

**R. Surendra Reddy  
Managing Director and CEO  
DIN: 00294240**

**Date: 11<sup>th</sup> August, 2023  
Place: Hyderabad**

**Registered Office:  
'VAMSHI HOUSE', Plot No. 41,  
Jayabheri Enclave, Gachibowli,  
Hyderabad-500 032, Telangana**

**Details of Directors seeking appointment / re-appointment in the 29<sup>th</sup> Annual General Meeting  
(Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

<b>Name of the Director</b>	<b>Mr. Ramesh Reddy Mereddy</b>	<b>Mr. Subba Rao Mogili</b>
Director Identification Number (DIN)	00025101	10140999
Date of Birth	04/07/1959	09/11/1958
Nationality	Indian	Indian
Date of Appointment on Board	24/11/1993	05/07/2023
Relationship with other Directors	Nil	Nil
Qualification	B.Tech, M.S (USA)	B. Tech
Shareholding in Vamshi Rubber Limited (as on 31 <sup>st</sup> March, 2023)	5,99,850 Shares (14.26%)	Nil
Expertise in specific functional areas	Retreading Business	Retreading Business
List of Directorships held in other Companies (as on 31 <sup>st</sup> March, 2023)	Vamshi Engineering Private Limited 2. Vamshi Builders LLP	Nil
Memberships / Chairmanship of the Committees of Directors of other Companies (as on 31 <sup>st</sup> March, 2023)	Nil	Nil



## DIRECTORS' REPORT

To  
The Members  
Vamshi Rubber Limited

Your directors have pleasure in presenting their 29<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31<sup>st</sup>, 2023.

### **1. Financial summary or highlights/Performance of the Company**

The financial statements of the company are as follows:

(Amount in Lakhs)

Particulars	Current Year 31 <sup>st</sup> March, 2023	Previous Year 31 <sup>st</sup> March, 2022
Revenue from Operations	7993.95	6,898.57
Other Income	37.21	14.20
<b>Total Revenue</b>	<b>8,031.16</b>	<b>6,912.77</b>
Expenses	7,930.26	6,795.93
Depreciation	99.58	109.47
<b>Total Expenses</b>	<b>8,029.85</b>	<b>6,905.40</b>
<b>Profit / (loss) Before exceptional and extraordinary items</b>	<b>1.31</b>	<b>7.37</b>
Less: exceptional and extraordinary items	-	-
<b>Profit/ (Loss) Before Taxation</b>	<b>31.13</b>	<b>7.37</b>
Less: - Current Tax	6.92	-
- Income Tax (Earlier years)	3.63	-
- Deferred Tax	11.30	4.47
<b>Profit / (loss) After Tax</b>	<b>9.27</b>	<b>2.90</b>

### **2. Brief description of the Company's working during the year/State of Company's affair**

During the year under review, the gross revenue of the Company has been increased to Rs. 7,993.95 Lakhs compared to Rs. 6,898.57 Lakhs in the previous year. The expenses of the Company have also been increased to Rs. 7,930.26 Lakhs compared to Rs. 6,795.93 Lakhs in the previous year. However, company earned a profit after tax of Rs. 9.27 Lakhs for the Current year due to increase in sales as against the profit of Rs. 2.90 lakhs in the previous year.

### **3. Change in the nature of business, if any**

There is no change in the nature of business during the year.

### **4. Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes and commitments after the closure of the financial year, which will affect the financial position of the Company.

There are no material changes and commitments affecting the financial position of the company which occurred between the end of the financial year to which the financial statements relate and the date of the report

## **5. Future Outlook**

As the retreading business is still not accelerating, the business growth could be restricted to 5 to 10%

## **6. Dividend**

The Board of Directors has not proposed any dividend for the Financial Year ended 31<sup>st</sup> March, 2023.

## **7. Reserves**

There were no transfers to Reserves during the financial year 2022-23.

## **8. Share Capital**

During the year under review, there has been no change in the Share Capital of the Company.

The Authorized Share Capital of the company is Rs. 4,50,00,000/- divided into 45,00,000 equity shares of Rs. 10/- (Rupees Ten) each.

The Issued, Subscribed and Paid-up Capital of the Company as on 31<sup>st</sup> March, 2023 is Rs. 4,20,68,000/- divided into 42,06,800 equity shares of Rs. 10/- (Rupees Ten) each.

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## **9. Directors and Key Managerial Personnel**

The Board of directors of your company is duly constituted with three executive directors and three non-executive independent directors.

Further, approval of the shareholders is being sought for re-appointment of Mr. Ramesh Reddy Mereddy (DIN:00025101), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, and offers himself for reappointment in accordance with the Companies Act, 2013 read with Articles of Association of the Company.

### **CHANGE IN DIRECTOR / KEY MANAGERIAL PERSONNEL DURING THE YEAR**

- The Board of Directors of the Company has Appointed Mr. Subba Rao Mogili (DIN: 10140999) as Non-Executive Additional Independent Director of the Company with effect from 05<sup>th</sup> July, 2023.
- The Board of Directors of the Company has accepted the resignation of Ms. Aradhana Kawde (Membership No. ACS 67593) Company Secretary of the company with effect from 30<sup>th</sup> July, 2022.
- The Board of Directors of the Company has appointed Mr. Akash Bhagadia Membership No. ACS 50559) as Company Secretary, Key managerial personnel and compliance officer with effect from 30<sup>th</sup> July, 2022.
- The Board of Directors of the Company has accepted the Resignation of Mr. Venkat Reddy Arolla (DIN: 02505431) Non-Executive Independent Director of the Company with effect from 05<sup>th</sup> April, 2023.
- The Board of Directors of the Company has reappointed Mr. Surendra Reddy Rachervu (DIN: 00294240) as Managing Director of the Company with effect from 01<sup>st</sup> July, 2022.

- The Board of Directors of the Company has reappointed Mr. Varun Kumar Pasham (DIN: 00293972) as Whole-time Director of the Company with effect from 01st July, 2022.

## **PROPOSED APPOINTMENTS / RE-APPOINTMENTS IN THE 29TH ANNUAL GENERAL MEETING**

- To appoint a director in place of Mr. Ramesh Reddy Mereddy (DIN: 00025101) who retires by Rotation at this Annual General Meeting, and being eligible, offers himself for reappointment.
- Approval of the shareholders is being sought to Regularize the appointment of Mr. Subba Rao Mogili (DIN: 10140999) as Non-Executive Additional Independent Director of the Company for a period of Five years with effect from 05<sup>th</sup> July, 2023.

### **10. Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year Six (6) Board Meetings were convened and held on 28.05.2022, 29.06.2022, 30.07.2022, 13.08.2022, 14.11.2022 and 11.02.2023. The intervening gap between the Meetings was within the period of 120 days as prescribed under the Companies Act, 2013.

<b>Name of Director</b>	<b>Number of Meetings attended</b>
Mr. Mereddy Ramesh Reddy	6/6
Mr. Surendra Reddy Rachervu	6/6
Mr. Varun Kumar Pasham	6/6
Mr. Arolla Venkat Reddy	6/6
Mr. Neerudu Sandeep Kumar Reddy	5/6
Ms. Akhila Pushpa Sundari	6/6

### **11. Board Evaluation**

The company believes formal evaluation of the board, its committees and of the individual directors, on an annual basis which is potentially effective way to respond to the demand for greater board accountability and effectiveness. For the company, evaluation provides an ongoing means for directors to assess their individual and collective performance and effectiveness. In addition to the accountability and evaluation, a board and Committee member helps in;

- More effective board process
- Better collaboration and communication
- Greater clarity with regard to members roles and responsibilities
- Improved chairman – managing directors and board relations

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

At the board meeting followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

## **12. Declaration by an Independent Director(s)**

A declaration has been received from all the Independent Directors of the Company that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Independent Directors meeting was held on 28<sup>th</sup> May, 2022 which was attended by the Independent Directors for the evaluation of the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Board.

## **13. Familiarisation Programme for Independent Directors**

The Company through its Senior Managerial personnel familiarised the Independent Directors with the strategy, operations, and functions of the Company and new regulations of criteria of independent director eligibility. The Independent Directors were also familiarised with their roles, rights and responsibilities, orientation, eligibility criteria on Statutory Compliances as a Board Member. Independent directors are also requested to complete their independent director registration process to be eligible to continue as independent director in any company.

## **14. Remuneration Policy**

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high-performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes and independence of a director. The Remuneration Policy is available on the website of the Company viz. [www.vamshirubber.org](http://www.vamshirubber.org).

## **15. Deposits**

The Company has not accepted any deposit from the public under Chapter V of the Act or under the corresponding provisions of Section 73 and 74 of the Companies Act, 2013 and no amount of principal or interest was outstanding as on the date of Balance Sheet.

## **16. Particulars of loans, guarantees or investments under section 186**

Details of loans and guarantees given and investments made under Section 186 of the Act are given in Notes to the Financial Statements.

## **17. Particulars of contracts or arrangements with related parties**

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the designated persons which may have a potential conflict with the interest of the Company at large.

There were no contract or arrangements entered by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during the period under review. Hence **Form No. AOC-2** is not required to be annexed to Board's report.

The policy on related party transactions as approved by the board of directors is hosted on the website of the company viz. [www.vamshirubber.org](http://www.vamshirubber.org).

The details of related party disclosures form part of the notes to the financial statements provided in this annual report.

## **18. Particulars of Employees**

Details in respect of remuneration paid to employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company.

Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure - I** and forms part of this Report.

## **19. Constitution of Audit Committee**

The Audit Committee of the Company is duly constituted as per Section 177 of the Companies Act, 2013. During the year four (4) Audit Committee Meetings were convened and held on 28.05.2022, 13.08.2022, 14.11.2022 and 11.02.2023.

Audit Committee has acted in accordance with the terms of Section 177 of the Companies Act, 2013

- (i) recommended for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) reviewed and monitored the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of financial statements and the auditor's reports thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vi) evaluation of internal financial controls and risk management systems;

The Audit Committee consists of a combination of Non-Executive Independent Directors and assists the Board in fulfilling its overall responsibilities.

The members of Audit Committee are:

Mr. Neerudu Sandeep Kumar Reddy	Chairman
Mrs. Akhila Pushpa Sundari	Member
Mr. Subba Rao Mogili	Member

- Mr. A. Venkat Reddy, Chairman of Audit Committee of the Company has tendered his resignation from Board w.e.f., 05<sup>th</sup> April, 2023.
- Mr. Subba Rao Mogili, Non- Executive Additional Independent Director was appointed on the Board on 05<sup>th</sup> July, 2023.
- Subsequently, Mr. Neerudu Sandeep Kumar Reddy, Non- Executive Independent Director has chaired the Audit Committee on 29<sup>th</sup> July. 2023 and Mr. Subba Rao Mogili, Non- Executive Additional Independent Director has been appointed as member of the Audit Committee from 29<sup>th</sup> July. 2023.

## **20. Constitution of Nomination & Remuneration Committee**

The Nomination & Remuneration Committee of the Company is duly constituted as per Section 178 of the Companies Act, 2013. During the year four (4) Nomination & Remuneration Committee Meetings were convened and held on 28.05.2022, 29.06.2022, 30.07.2022 and 13.08.2022.

The members of Nomination & Remuneration Committee are:

Mrs. Akhila Pushpa Sundari	Chairman
Mr. Neerudu Sandeep Kumar Reddy	Member
Mr. Subba Rao Mogili	Member

- Mr. A. Venkat Reddy, Chairman of Nomination & Remuneration Committee of the Company has tendered his resignation from Board w.e.f., 05<sup>th</sup> April, 2023.
- Mr. Subba Rao Mogili, Nomination & Remuneration Committee was appointed on the Board on 05<sup>th</sup> July, 2023.
- Subsequently, Mrs. Akhila Pushpa Sundari, Non- Executive Independent Director has chaired the Nomination & Remuneration Committee on 29<sup>th</sup> July. 2023 and Mr. Subba Rao Mogili, Nomination & Remuneration Committee has been appointed as member of the Nomination & Remuneration Committee from 29<sup>th</sup> July. 2023.

The Nomination and Remuneration policy of the company is provided below:

- a) Selection and evaluation of directors: The board has based on the recommendations of the Nomination and Remuneration Committee, laid down following policies.
1. Policy for determining qualifications, positive attributes and independence of a director.
  2. Policy for board & independent directors' evaluation.
- b) Performance evaluation of board, committees and directors.

The company believes in a formal evaluation of the board and of the individual directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. For the company, evaluation provides an ongoing means for directors to assess their individual and collective performance and effectiveness. In addition to greater board accountability, evaluation of Board members helps in:

- a) More effective board processes.
- b) Better collaboration and communication.
- c) Greater clarity with regard to members roles and responsibilities.

The evaluation process covers the following aspects:

- Self-evaluation of directors.
- Evaluation of the performance and effectiveness of the board.
- Evaluation of the performance and effectiveness of the committees.
- Feedback from the non-executive directors to the Chairperson.
- Feedback on management support to the board.



## **21. Statutory Auditors**

M/s CSVAR Associates, Chartered Accountants, (Firm Registration No. 012121S), who has been Re-appointed as statutory auditors of the company in the 28<sup>th</sup> Annual General Meeting for a period of five years from the conclusion of 28<sup>th</sup> AGM till the conclusion of 33<sup>rd</sup> AGM.

## **22. Replies to Auditors' Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

## **23. Reporting of frauds by auditors**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instance of fraud committed against the company by its officers or employees, the details of which would need to be mentioned in the Directors' Report.

## **24. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under, Mr. NVSS Suryanarayana, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as **Annexure – II** to this report.

### **MANAGEMENT RESPONSES TO OBSERVATIONS IN SECRETARIAL AUDIT REPORT**

The following are the responses of the management against the observations made by the Secretarial Auditor.

<b>S. No.</b>	<b>Observations</b>	<b>Management Replies / Response</b>
1	There are few forms which are filed with additional fees	Management is taking steps to ensure such instances do not occur in future

## **25. Cost Auditors**

The provisions of Section 148 of the Companies Act, 2013 relating to mandatory Cost Audit does not apply to the Company and hence, no Cost Audit is conducted. However, the Company is required to maintain Cost records which the Company is maintaining.

## **26. Internal Audit & Internal Financial Control Systems**

The Company has a proper and adequate system of internal control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, regarded and reported correctly. The internal control is supplemented by an extensive program of internal audits, review by management and procedures. It is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

During the year, the Company has implemented the suggestions and recommendations of the internal auditor to improve the control environment. Their scope of work included review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations. In the Board meeting held on 28<sup>th</sup> May, 2023, company has re-appointed M/s. Ramana Reddy & Associates, Chartered Accountant, as Internal Auditor of the Company for the F.Y. 2023-24.

## **27. Whistle Blower Policy/Vigil Mechanism**

Pursuant to the provisions of section 177 of the Companies Act, 2013 and the rules framed there under and pursuant to the applicable provisions of the SEBI (LODR) Regulations, 2015, the company has established a mechanism through which all stake holders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle blower policy which has been approved by the board of directors of the company has been hosted on the website of the company viz. [www.vamshirubber.org](http://www.vamshirubber.org)

## **28. Secretarial Standards**

The Company has complied with all the applicable secretarial standards for the financial year 2022-23.

## **29. Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Members of the Board have confirmed compliance with the Code.

## **30. Risk management policy**

Your Company has put in place a risk management policy based on globally recognized standards which enables the company to proactively take care of the internal and external risks of the company and ensures smooth business operations.

The company's risk management policy ensures that all its material risk exposures are properly covered, all compliance risks are covered and the company's business growth and financial stability are assured. Board of Directors decide the policies and ensure their implementation to ensure protection of company from any type of risks.

## **31. Business Responsibility and Sustainability Report (BRSR)**

Clause (f) of sub regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time has mandated the inclusion of BRSR as part of the Annual Report for the top 1000 listed entities based on their market capitalization on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd as on the end of financial year. In view of the requirements specified, the company is not mandated for the providing the BRSR and hence do not form part of this Report.

## **32. Annual Return**

The Ministry of Corporate Affairs vide Companies (Amendment) Act, 2017 effective from 28th August, 2020, has dispensed with the requirement to attach extract of Annual Return in form MGT-9 to the Board's report, provided every Company shall place a copy of Annual return on the website of the Company, if any and disclose the web-link of such Annual return in the Board's report.

The copy of Annual Return in Form MGT-7 as on March 31, 2023 is available on the Company's website and can be accessed at the given [web-link http://www.vamshirubber.org/investor\\_relation.php](http://www.vamshirubber.org/investor_relation.php)

**33. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

**34. Details of Subsidiary, Joint Venture or Associate Companies**

The Company does not have any Subsidiary, Joint Venture or an Associate Company as on 31.03.2023.

**35. Corporate Governance Certificate**

As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), 2015, provisions relating to corporate governance are not applicable to your company and therefore, no separate report on corporate governance is required.

However, in pursuance of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from Mr. N.V.S.S. Suryanarayana, Practicing Company Secretary, that none of the directors on board has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as **Annexure-III** and forms part of this Report.

**36. Management Discussion and Analysis Report**

Management Discussion and Analysis Report, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this report and same is annexed as **Annexure-IV**.

**37. Obligation of Company Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2022-23:

- No. of complaints received: - NIL -
- No. of complaints disposed of: - NIL -

**38. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are as follows:

**(A) Conservation of Energy**

(i)	the steps taken or impact on conservation of energy	An Electrical Energy units saved during 2022-23 in plant lighting is 8082 units and cost Rs. 73938/- by taking the following steps. Plant lighting changed from high wattage lamps to low wattage lamps with higher illumination levels with maintenance free Circulation temperature,
(ii)	the steps taken by the company for utilizing alternate sources of energy	-

(iii)	the capital investment on energy conservation equipment's	-
-------	---	---

## (B) Technology absorption

(i)	the efforts made towards technology absorption	The Company has neither absorbed nor adopted any new technology. The Company has also not made any innovation in technology other than the R&D.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	No benefits derived in the year under review.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	No new technology is imported during the last three years.
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	No expenditure incurred on Research and Development.

## (C) Foreign exchange earnings and Outgo (2022-23)

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows:

(Amount in Lakhs)		
Particulars	Current Year	Previous Year
<b>Expenditure in Foreign Currency:</b>		
On Raw Material	210.13	137.50
On Machinery Consumables	NIL	NIL
On Capital Goods	NIL	NIL
<b>Earning in Foreign Currency:</b>	1113.85	955.34

### 39. Corporate Social Responsibility (CSR)

The provisions w.r.t. CSR is not applicable to the Company. Therefore, the Company had not constituted CSR committee during the year 2022-23.

### 40. Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividend of Rs. 8,29,203/- to IEPF Authority.

Further, shares for which dividend has not been claimed for seven consecutive years till 2014-15 has been transferred to IEP Fund. The process of claiming the shares from the IEP fund has been placed on the website of the company.

#### **41. Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company make the following statements, with the best of their knowledge and belief and according to the information and explanations obtained by them:

1. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2023, the applicable accounting standards have been followed and there have been no material departures from them;
2. that the accounting policies mentioned in notes to Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit of the company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual financial statements have been prepared on a 'going concern' basis;
5. that proper internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and
6. that proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively:

#### **42. Listing with Stock Exchanges:**

The Securities Exchange Board of India (SEBI), on 02<sup>nd</sup> September 2015, has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of Listing Agreement for different segments of capital market to ensure better enforceability. The said regulations were effective from 1<sup>st</sup> December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 months from the effective date. The Company entered into Listing Agreement with the BSE Limited.

The Company confirms that it has paid the Annual Listing Fees for the year 2022-23 to BSE where the Company's Shares are listed.

#### **43. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account**

Your Company does not have any shares in the Demat suspense account or unclaimed suspense account and therefore no disclosure as per Point F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is required.

#### **44. The details of application made or any proceeding pending under the insolvency and bankruptcy code, 2016**

During the period under review, there was no application made nor any proceeding initiated or pending under the Insolvency and Bankruptcy code, 2016.

#### **45. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof**

During the period under review, there was no one time settlement with any bank.

#### **46. Industry Relations**

The company enjoyed cordial relations with its employees during the year under review and the Board appreciates the employees across the cadres for their dedicated service to the Company, and looks forward to their continued support and higher level of productivity for achieving the targets set for the future.

#### **47. Human Resources**

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

#### **48. Acknowledgements**

Your director's wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your director's also wish to place on record their appreciation to business associates, banks and other financial institutions and shareholders, of the Company for their continued support.

**By order of the Board  
For Vamshi Rubber Limited**

**Sd/-  
R. Surendra Reddy  
Managing Director & CEO  
DIN: 00294240**

**Sd/-  
M. Ramesh Reddy  
Chairman & CFO  
DIN: 00025101**

**Date: 11<sup>th</sup> August 2023  
Place: Hyderabad**



## Annexure – I

### Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

#### Part- A

Information under Section 197 (12) of the Companies Act, 2013 read with the rule 5(1) Companies (Appointment and remuneration of managerial personnel) Rules, 2014 and forming part of Directors Report for the year ended March 31, 2023

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

S. No	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. M. Ramesh Reddy	13.17:1
2.	Mr. R. Surendra Reddy	13.17:1
3.	Mr. P Varun Kumar	13.17:1
4.	Mr. A. Venkat Reddy	NA
5.	Mr. N. Sandeep Kumar Reddy	NA
6.	Ms. Akhila Pushpa Sundari	NA

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:

S. No.	Name of the KMP	Percentage increase in remuneration
1.	Mr. M. Ramesh Reddy	Nil
2.	Mr. R. Surendra Reddy	Nil
3.	Mr. P Varun Kumar	Nil
4.	Mr. A. Venkat Reddy	Nil
5.	Mr. N. Sandeep Kumar Reddy	Nil
6.	Ms. Akhila Pushpa Sundari	Nil
7.	Ms. Aradhana Kawade	Nil
8.	Mr. Akash Bhagadia	Nil

- (iii) The percentage increase in the median remuneration of employees in the financial year is 4.12%

- (iv) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2023 147 employees

- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase in the salaries of the employees other than the managerial personnel in the financial year is 4.12% and there has been increase in the managerial remuneration of Company Secretary during the financial year.

- (vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

**Part-B**

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Not Applicable

**By order of the Board  
For Vamshi Rubber Limited**

**Sd/-  
R. Surendra Reddy  
Managing Director & CEO  
DIN: 00294240**

**Sd/-  
M. Ramesh Reddy  
Chairman & CFO  
DIN: 00025101**

**Date: 11<sup>th</sup> August, 2023  
Place: Hyderabad**

Annexure - II

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED March 31, 2023**

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

To  
The Members,  
**Vamshi Rubber Limited,**  
'Vamshi House', Plot No. 41,  
Jayabheri Enclave, Gachibowli,  
Hyderabad, Telangana-500032.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vamshi Rubber Limited** (hereinafter called the “**Company**”) for the financial year ended 31st March, 2023 (**‘Audit Period’**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31st 2023, according to the provisions of:

1. The Companies Act, 2013 (the “Act”) and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

***Not Applicable to the Company during the Audit period***

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

***Not Applicable to the Company during the Audit period***

- d. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;

***Not Applicable to the Company during the Audit period***

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

***Not Applicable to the Company during the Audit period***

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

***Not Applicable to the Company during the Audit period***

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

***Not Applicable to the Company during the Audit period***

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

6. Other laws applicable to the Company as per the representations made by the Management

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- ***During the period under review, the company has filed few forms with the Registrar of Companies, Telangana with delay and paid additional fee for the same.***

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were carried out unanimously and views are duly captured and recorded as part of the minutes.

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

I report further that, during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

**Sd/-**

**N.V.S.S. Suryanarayana Rao**

**Company Secretary in Practice**

**ACS Membership Number: 5868**

**Certificate of Practice Number: 2886**

**Peer Review Certificate No. 1506/2021**

**UDIN: A005868E000776242**

**Place: Hyderabad**

**Date: 10th August 2023**

**Note:** This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

## **ANNEXURE A**

**To,  
Vamshi Rubber Limited  
'Vamshi House', Plot No. 41,  
Jayabheri Enclave, Gachibowli,  
Hyderabad, Telangana-500032**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Sd/-  
N.V.S.S. Suryanarayana Rao  
Company Secretary in Practice  
ACS Membership Number: 5868  
Certificate of Practice Number: 2886  
Peer Review Certificate No. 1506/2021**

**UDIN: A005868E000776242**

**Place: Hyderabad  
Date: 10th August 2023**

**Annexure-III**

**CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

**[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

I have examined the following documents:

- i. Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii. Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

As submitted by the Directors of Vamshi Rubber Limited ('the Company') bearing CIN: L25100TG1993PLC016634 and having its registered office at 'Vamshi House', Plot No. 41, Jayabheri Enclave, Gachibowli, Hyderabad 500032, to the Board of Directors of the Company ('the Board') for the Financial Year 2022-23. I have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to me by the Company and such other verifications carried out by me as deemed necessary and to the extent possible, in my opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

<b>Sr. No</b>	<b>Name of Director</b>	<b>Director Identification Number (DIN)</b>
1.	Mr. Ramesh Reddy Mereddy	00025101
2.	Mr. Pasham Varun Kumar	00293972
3.	Mr. Surendra Reddy Rachervu	00294240
4.	Mr. Venkat Reddy Arolla	02505431
5.	Mr. Neerudu Sundeep Kumar Reddy	03610535
6.	Mr. Akhila Pushpa Sundari	07194694

This Certificate has been issued at the request of the Company to make disclosure in its Board's Report of the company for the Financial Year ended 31<sup>st</sup> March, 2023.

**Sd/-**

**N.V.S.S. SURYANARAYANA RAO**

**Practicing Company Secretary**

**Membership Number: 5868**

**Certificate of Practice Number: 2886**

**Peer Review Certificate No. 1506/2021**

**UDIN: A005868E000778288**

**Hyderabad, 10<sup>th</sup> August, 2023**

## Annexure-IV

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### **ECONOMIC OVERVIEW**

Overview: The global economy was estimated to have grown at a slower 3.20% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve. The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.80% in 2022, among the highest in decades. US consumer prices increased about 6.50% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower. Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to \$55.3 billion in April December. The decline was even sharper in the case of FDI inflows as equity – these fell 15% to \$36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The global economy is projected to grow a weak 2.9% in 2023, marked by sustained Russia Ukraine conflict and higher interest rates. Global inflation is projected to be 6.5% in 2023 (Source: IMF). On the positive side, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis and robust US consumption outlook (despite high inflation) remain positives. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half the global growth in 2023 (IMF).

**Indian economic review Overview:** Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India reported an estimated economic growth of 6.8% in FY 2022-23. India emerged as the second fastest growing G20 economy in FY 2022- 23. India had retained its position as the fifth-largest global economy and was seen as a principal driver of the global economy (with China)

#### **India moved up in the Ease of Doing Business (EODB) rankings from 100th in 2017 to 63rd in 2022.**

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in FY 2022-23. The total gross collection for FY 2022-23 was 18.10 lakh crore, an average of 1.51 lakh a month and up 22% from FY22.

India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to 1.6 lakh crore. For 2022–23, the government collected 16.61 lakh crore in direct taxes, according to data from the Finance Ministry. This amount is 17.6 percent more than what was collected in the previous scale. Per capita income almost doubled in nine years to 172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magicube of \$2500 when consumption spikes across countries.

India is expected to grow 6.8% in FY2024, catalyzed in no small measure by 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilization and improving trade deficits' Headline and core inflation rates could trend down. Private sector investments could revive.

#### **1. FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be authorize. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.



## **2. INDUSTRY STRUCTURES & DEVELOPMENTS**

As natural resources are limited, recycling has gained attention worldwide. Now companies are articulating a vision of using greater portion of recycled material in their products and formulations. The rubber industry is not an exception to this. End of life tires are an important source of recycled rubber worldwide and its status has changed from waste to resource. The reclaim rubber industry has been developed around this reality.

A show-case project of benefits of circular economy. Actively promotes re-use of products derived from end-life-tires (ELTs) into new tires, conveyor belts, road construction etc.

## **3. OPPORTUNITIES & THREATS:**

### **Opportunities**

In light of the integrated recycling company's current position, it has the unique opportunity to capitalize on its robust supply chain capability and technological advancements. By leveraging a shared infrastructure, the company can effectively expand its operations while maximizing efficiencies. Furthermore, the potential to utilize customer approvals as a confidence-building tool will play a pivotal role in its expansion across various value chains.

The company's strategic focus on establishing a sustainability footprint within aligned sectors positions it favorably in the market. Notably, the company has demonstrated commendable achievements in Infrastructure and other sectors.

A crucial catalyst for the success of such integrated players in the recycling industry has been the introduction of the Extended Producer Responsibility (EPR) regulations by the Government of India (GOI). The incorporation of EPR for Tyres and Plastics, as well as nine other sectors of the economy, has incentivized brand owners and material manufacturers to invest in collaboration with material recovery and recycling companies. This collective effort aims to enhance value addition throughout the recycling process.

In conclusion, the integrated recycling company possesses a strong foundation for future growth and success, bolstered by its ability to leverage supply chain capabilities, technological advancements, and customer approvals. With a steadfast commitment to sustainability and a track record of excellence in tyre and plastic recycling, the company is well-poised to make further strides in the market, guided by the supportive framework of the GOI's EPR regulations.

- There are opportunities to reduce costs, with increased efficiency and economies of scale.
- There is strong export demand for Crumb Rubber and Reclaim Rubber Compound and the same is being actively explored, besides the existing exports.

### **Threats**

- End of life / Waste tyres are among the most problematic source of waste in the world. Incorrect disposal of old tyres can create all kinds of environmental and health hazards.
- It is estimated that by recycling a kilo of rubber translates into saving 2 kilograms of greenhouse gases (INAE 2015). If not recycled, tyres are an enormous global problem because of their nonbiodegradability, flammability and chemical composition.
- Cost of the debt continues to be the key issue. Any increase in the interest rate will have negative impact on the portability of the Company
- Invention of other better alternative product, in a fast-changing global environment.

- Any increase in taxes and change in Government policies may have negative impact on the Company

#### **4. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

The Company's 90% of revenue is derived from manufacturing Precured Tread Rubber which is the main segment of the Company.

#### **5. OUTLOOK:**

In order to meet the changing market realities, your Company has been following the philosophy of providing the highest quality products and services at the lowest possible prices. All endeavours are made to achieve possible cost reduction in every area of operations. Your Company's philosophy to provide high class quality products i.e. full value for money, to consumers would greatly benefit in the long run. In the otherwise increasing cost arena, every expense, whether capital or revenue is minutely reviewed to achieve all possible savings.

#### **6. RISKS AND CONCERNS:**

As our products are used for replacement of new tyres, we do not foresee any major threat from any change in the technology innovation by transportation industry. The company is obtaining adequate insurance coverage for the assets of the Plant and Field locations. Since, oil is a key raw material used for tire retreading; any fluctuations in oil prices are capable of causing fluctuations in retread tire market growth.

The Company has no foreign exchange risk coverage due to its limited exposure. Compliance of safety requirements and norms placed by different Government agencies is a top priority of your management.

#### **7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use of disposition and that all transactions are authorized recorded and reported correctly. An Audit Committee headed by a non-executive independent Director is in place to review various areas of the control systems.

#### **8. DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements etc. appearing separately. Highlights for the year 2022-23 are as under:

	(Amount in Lakhs)
Sales for the year 2022-23	7,993.95
Provision for taxation	21.86
Profit after tax	9.26
Paid up equity share capital as on 31 <sup>st</sup> March, 2023	420.68

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2022-23 appearing separately.

#### **9. HUMAN RESOURCES:**

During the year under review, the Company has undertaken extensive steps in optimizing the man power at the Plant, corporate office and Field locations. Employee/employer relations were cordial throughout the year. Measures for safety of the employees, training and development continued to receive top priorities.

## **10. CAUTIONARY STATEMENT:**

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc, may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Company's operations may inter-alia affect with the supply and demand situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

**By order of the Board  
For Vamshi Rubber Limited**

**Sd/-  
R. Surendra Reddy  
Managing Director & CEO  
DIN: 00294240**

**Sd/-  
M. Ramesh Reddy  
Chairman & CFO  
DIN: 00025101**

**Date: 11<sup>th</sup> August, 2023  
Place: Hyderabad**

## **CERTIFICATE OF THE CEO/CFO TO THE BOARD OF DIRECTORS OF VAMSHI RUBBER LIMITED**

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**By order of the Board  
For Vamshi Rubber Limited**

**Sd/-  
R. Surendra Reddy  
Managing Director & CEO  
DIN: 00294240**

**Sd/-  
M. Ramesh Reddy  
Chairman & CFO  
DIN: 00025101**

**Date: 11<sup>th</sup> August, 2023  
Place: Hyderabad**



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**VAMSHI RUBBER LIMITED**

### Report on the Audit of IND AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Vamshi Rubber Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

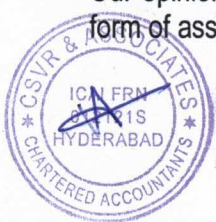
### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Information other than the Financial Statements and the Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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





In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Management's Responsibility for the Separate Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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





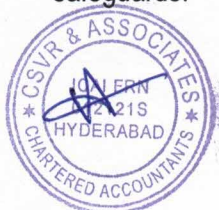
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

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

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





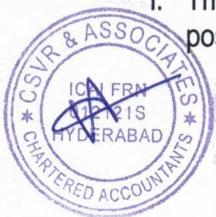
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report if any unless law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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, as amended:

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

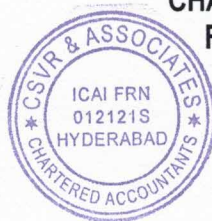
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.





- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above contain any material mis-statement.
- v. The Company has not declared any dividend during the year.

Place: Hyderabad  
Date : 29.05.2023



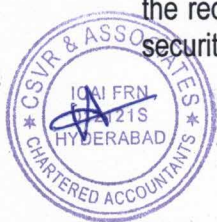
for CSV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S

*G. Venkatesh*  
(CA. VENKATESH G.)  
PARTNER  
Membership No. 239608

UDIN: 23239608BGRMPD3259

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**  
(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements, of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment and intangible assets.
- (b) The fixed assets of the company have been physically verified by the management during the year as per a programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not hold any benami property and accordingly there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company and we have not found any material deviation.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clause 3(iii)(a) is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not given any loans, investments, guarantees and security during the year as per the provisions of sections 185 and 186 of the Companies Act, 2013.

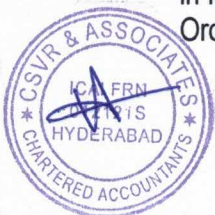




- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The Maintenance of cost records has been specified by the Central Government under sub section (1) of section 148 of the Companies Act. We have broadly reviewed the records maintained by the Company during the year and are of the opinion that prima facie, the cost records prescribed by the Central Government have been maintained. However, we have not made a detailed examination of the same.
- (vii) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Services Tax (GST), custom duty, cess and other material statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods and Services Tax (GST), customs duty, cess and other material statutory dues wherever applicable were in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, Goods and Services Tax (GST), customs duty, cess or other statutory dues which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and on the basis of our examination of the records of the Company, the company did not raise any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been utilized for long term purposes.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.





- (x) (a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) Since no fraud has been noticed, there is no requirement to report under sub-section (12) of Section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, clause 3 (xii) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Companies Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.



- (xvii) The Company has not incurred any cash losses in the current year and also in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Corporate Social Responsibility (CSR) as referred u/s 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

Place: Hyderabad  
Date : 29.05.2023



for CSV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S

*G. Venkatesh*  
(CA.VENKATESH G.)  
PARTNER  
Membership No.239608

UDIN: 23239608BGRMPD3259



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

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

We have audited the internal financial controls over financial reporting of **VAMSHI RUBBER LIMITED** ("the Company") as of 31<sup>st</sup> March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

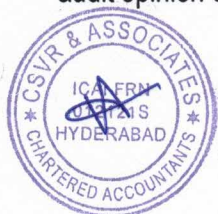
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

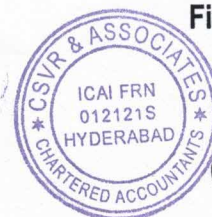
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date : 29.05.2023



for CSV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S

*G. Venkatesh*  
(CA. VENKATESH G.)  
PARTNER  
Membership No. 239608

UDIN: 23239608BGRMPD3259

VAMSHI RUBBER LIMITED

**BALANCE SHEET AS AT 31ST MARCH, 2023**

(All amounts are in Indian rupees lakhs, except otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	1,378.71	1,426.87
Capital Work-in-Progress	3A	2.44	1.59
Other Intangible Assets	4	1.64	2.88
Financial Assets			
(a) Investments	5	40.00	40.00
Deferred Tax Asset (Net)	7	48.76	63.51
<b>Total Non - Current Assets</b>		<b>1,471.55</b>	<b>1,534.86</b>
<b>Current Assets</b>			
Inventories	8	1,087.68	1,407.36
Financial Assets			
(a) Trade Receivables	6	1,656.25	1,680.21
(b) Cash and Cash Equivalents	9A	2.34	6.11
(c) Bank Balances other than (b) above	9B	22.98	38.17
(d) Other Financial Assets	10	9.73	9.65
Current Tax Assets	7	17.86	17.83
Other Current Assets	11	129.19	154.08
<b>Total Current Assets</b>		<b>2,926.03</b>	<b>3,313.40</b>
<b>Total Assets</b>		<b>4,397.58</b>	<b>4,848.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	420.68	420.68
Other Equity	13	869.59	850.50
<b>Equity attributable to owners of the Company</b>		<b>1,290.27</b>	<b>1,271.18</b>
<b>Total Equity</b>		<b>1,290.27</b>	<b>1,271.18</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	14	250.56	443.45
(b) Other Financial Liabilities	15	42.87	69.44
Employee Benefit Obligations	16	178.41	195.30
<b>Total Non-Current Liabilities</b>		<b>471.83</b>	<b>708.19</b>



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**VAMSHI RUBBER LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2023**

(All amounts are in Indian rupees lakhs, except otherwise stated)

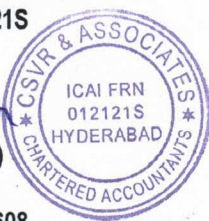
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	17	1,795.92	1,869.52
(b) Trade Payables			
Outstanding dues-micro and small enterprises	18	124.56	95.58
Outstanding dues- other than micro and small enterprises	18	457.18	627.72
(c) Other Financial Liabilities	15	237.03	270.47
Employee Benefit Obligations	16	13.87	5.61
Current Tax Liabilities	7	6.92	-
<b>Total Current Liabilities</b>		<b>2,635.48</b>	<b>2,868.89</b>
<b>Total Liabilities</b>		<b>3,107.31</b>	<b>3,577.07</b>
<b>Total Equity and Liabilities</b>		<b>4,397.58</b>	<b>4,848.26</b>
Corporate information and significant accounting policies	1 & 2		

VIDE OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For CSVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S

*G. Venkatesh*  
(CA. VENKATESH G.)  
PARTNER  
Membership No. 239608



Place : HYDERABAD  
Date : 29.05.2023

*M. Ramesh Reddy*  
(M.RAMESH REDDY)  
CHIARMAN & CFO  
DIN: 00025101

*R. Surendra Reddy*  
(R.SURENDRA REDDY)  
MANAGING DIRECTOR & CEO  
DIN:00294240

*Akash Bhagadia*  
(AKASH BHAGADIA)  
COMPANY SECRETARY  
Membership No.A50559

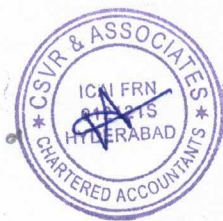


VAMSHI RUBBER LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian rupees lakhs, except otherwise stated)

Particulars	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>INCOME</b>			
Revenue from Operations	19	7,993.95	6,898.57
Other Income (net)	20	37.21	14.20
<b>Total Income</b>		<b>8,031.16</b>	<b>6,912.77</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	5,664.51	4,995.97
Purchase of Stock in Trade		35.87	26.99
Changes in inventories of finished goods and work-in-progress	22	217.24	(115.86)
Employee Benefits Expense	23	939.08	920.54
Finance Costs	24	199.73	200.11
Depreciation and amortisation Expense	25	99.59	109.47
Operating & Other expenses	26	873.82	768.17
<b>Total Expenses</b>		<b>8,029.85</b>	<b>6,905.40</b>
<b>Profit / Loss before exceptional items and tax</b>		<b>1.31</b>	<b>7.37</b>
Exceptional Item (net)	27	(29.82)	-
<b>Profit/ Loss before tax</b>		<b>31.13</b>	<b>7.37</b>
<b>Tax expense</b>			
Current tax	7	6.92	-
Previous year tax		3.63	-
Deferred tax	7	11.30	4.47
<b>Total Tax Expense</b>		<b>21.86</b>	<b>4.47</b>
<b>Profit/ Loss for the year</b>		<b>9.27</b>	<b>2.90</b>



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VAMSHI RUBBER LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian rupees lakhs, except otherwise stated)

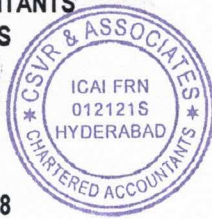
Particulars	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Other comprehensive income</b>			
A Items that will not be reclassified subsequently to profit or			
(a) Gain on Equity investments measured at fair value through		-	-
(b) Remeasurements of the defined benefit plans		13.26	2.40
(c) Income tax relating to items that will not be reclassified to		(3.45)	(0.63)
<b>Total other comprehensive income</b>		<b>9.82</b>	<b>1.78</b>
<b>Total comprehensive income for the year</b>		<b>19.09</b>	<b>4.68</b>
<b>Earnings per equity share</b>			
(Equity shares, par value of ` 10 each)		0.22	0.07
Basic and diluted (in Rs)			
<b>Corporate information and significant accounting policies</b>	1 and 2		

VIDE OUR REPORT OF EVEN DATE

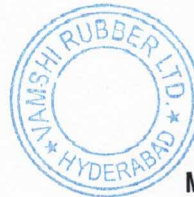
FOR AND ON BEHALF OF THE BOARD

For CSV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S

*Gr. Venkatesh*  
(CA. VENKATESH G.)  
PARTNER  
Membership No. 239608



Place : HYDERABAD  
Date : 29.05.2023



*M. Ramesh Reddy*  
(M.RAMESH REDDY)  
CHIRMAN & CFO  
DIN: 00025101

*R. Surendra Reddy*  
(R.SURENDRA REDDY)  
MANAGING DIRECTOR & CEO  
DIN:00294240

*Akash Bhagadia*  
(AKASH BHAGADIA)  
COMPANY SECRETARY  
Membership No.A50559



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian rupees lakhs, except otherwise stated)

## a. Equity share capital

	March 31, 2023		March 31, 2022	
	No.	Amount	No.	Amount
Equity Shares of Rs. 10 each issued, subscribed and fully paid up	42,06,800	420.68	42,06,800	420.68
At the beginning of the year				
Changes during the year	-	-	-	-
At the beginning of the year	42,06,800	420.68	42,06,800	420.68

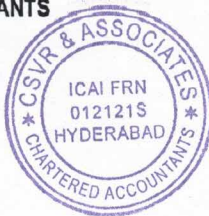
## b. Other equity

Particulars	Items of other comprehensive income		Total Equity
	Retained Earnings	FVTOCI reserve	
As at April 01, 2021	845.83	-	845.83
Profit for the year	4.68	-	4.68
As at March 31, 2022	850.50	-	850.50
Profit for the year	19.09	-	19.09
As at March 31, 2023	869.59	-	869.59

VIDE OUR REPORT OF EVEN DATE

For CSVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S

*G. Venkatesh*  
(CA. VENKATESH G.)  
PARTNER  
Membership No. 239608



Place : HYDERABAD  
Date : 29.05.2023



FOR AND BEHALF OF THE BOARD

*(Signature)*  
(M.RAMESH REDDY)  
CHAIRMAN & CFO  
DIN: 00025101

*(Signature)*  
(R.SURENDRA REDDY)  
MANAGING DIRECTOR & CEO  
DIN: 00294240

*(Signature)*  
(AKASH BHAGADIA)  
COMPANY SECRETARY  
Membership No.A50559

VAMSHI RUBBER LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023**

(All amounts are in Indian rupees lakhs, except otherwise stated)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	31.13	7.37
	Adjustments for:		
	Depreciation and amortisation expense	99.59	109.47
	Operating profit before working capital changes	130.71	116.84
	Adjustments for changes in working capital:		
	<b>Adjustments for operating assets:</b>		
	Decrease/(Increase) in trade receivables	23.96	(118.24)
	Decrease/(Increase) in inventories	319.68	(161.57)
	Decrease/(Increase) in loans	(266.48)	(42.39)
	Decrease/(Increase) in other financial assets	(0.08)	5.55
	Decrease/(Increase) in current assets	24.89	(36.74)
	Decrease/(Increase) in other assets	(0.03)	(2.60)
	<b>Adjustments for operating liabilities</b>		
	(Decrease)/Increase in trade payables	(141.55)	334.96
	(Decrease)/Increase in other liabilities	(8.86)	(0.78)
	(Decrease)/Increase in financial liabilities	(60.01)	(116.27)
	(Decrease)/Increase in provisions	(8.64)	1.83
	Cash generated from operating activities	13.59	(19.40)
	Income taxes paid (Net)	(6.92)	-
	Net cash flow from operating activities	6.67	(19.40)
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of Property plant and equipments	(54.60)	(35.32)
	Proceeds from sale of Property plant and equipments	29.82	-
	Capital Work in Progress	(0.84)	1.59
	Bank balance not considered as Cash and cash equivalents	15.18	54.62
	Net cash (used in) investing activities	(10.44)	20.89



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## VAMSHI RUBBER LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts are in Indian rupees lakhs, except otherwise stated)

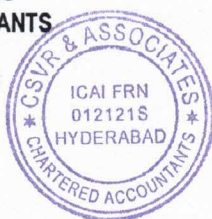
	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Tax on dividends paid	-	-
	Net cash (used in) financing activities	-	-
	Net increase in cash and cash equivalents (A+B+C)	(3.77)	1.50
	Cash and cash equivalents at the beginning of the year	6.11	4.61
	Cash and cash equivalents at the end of the year	2.34	6.11

VIDE OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For CSVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S

*G. Venkatesh*  
(CA. VENKATESH G.)  
PARTNER  
Membership No. 239608



Place : HYDERABAD  
Date : 29.05.2023



*M. Ramesh Reddy*  
(M.RAMESH REDDY)  
CHAIRMAN & CFO  
DIN: 00025101

*R. Surendra Reddy*  
(R.SURENDRA REDDY)  
MANAGING DIRECTOR  
DIN: 00294240

*Akash Bhagadia*  
(AKASH BHAGADIA)  
COMPANY SECRETARY  
Membership No.A50559



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Background

The Company was incorporated on 24th November, 1993 in the state of United Andhra Pradesh. The Company is engaged in the business of manufacturing of Tyre Retreading Materials.

### 2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation

##### i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### ii) Historical cost convention

The financial statements have been prepared on a historical cost basis except certain financial assets carried at fair value.

#### b) Segment reporting

The Operating segment has been reported in a manner consistent with the internal reporting provided to the chief financial officer and the chief executive officer who are the chief operating decision maker (CODM). The Company is engaged in the manufacturing of the Precured Tread Rubber, Cushion Gum, Vulcanising Solution and Curing Enevelopes which are used for retreading of tires. These products do not have any different risk and returns and thus CODM performs review based on one operating segment.

The company prepared segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**c) Foreign currency translation****Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (Rs), which is Company's functional and presentation currency.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**d) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue is net of returns, trade allowances, GST and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

**Sale of products**

Timing of recognition- Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Measurement of revenue- Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns at the time of sale.

**Interest income**

Interest income is recognized using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Interest income is included under the head 'Other Income' in the statement of profit and loss.



**Dividend Income**

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**Export incentives:**

Export incentives (Income) i.e. MEIS/RODTEP claims are depend upon eligibility criteria and sanction from respective authority. Being in nature of contingent as MEIS/RODTEP claims are accounted as income, only after the certainty of receipt during the year. Hence, MEIS/RODTEP income is accounted in the period when the claim amount is formally approved and amount is received.

**e) Government grants**

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

**f) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## g) Leases

### The company as a Lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lease, except for lease with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.



Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the lead lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

#### **i) Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **j) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **k) Trade receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment.

## l) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and traded goods comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## m) Investments and other financial assets

### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortized cost.
- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

### (ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments:** Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.



**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments:** The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **(iv) Derecognition of financial assets**

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **n) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **o) Property, Plant and Equipment**

Property, Plant and Equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### **Depreciation/Amortization methods, estimated useful lives and residual value**

Depreciation is calculated using the straight line method to allocate the cost, net of their residual values, over their estimated useful lives as follows.

Description of the asset	Useful Life in Years
Building	30 to 60 years
Plant & Machinery, Electrical Installations	10 to 20 years
Computers	6 years
Furniture	10 years
Office Equipment	5 years
Vehicles	8 to 10 years



The useful lives have been determined based on the estimated useful life of assets and in the manner laid down under schedule II of the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposal are determined by comparing proceeds with carrying amount.

**p) Intangible assets**

**i) Recognition**

Intangible assets consist of software licenses etc, which are measured at cost on initial recognition and amortized over their estimated useful life.

**ii) Amortization methods and periods**

The Company amortizes intangible assets on a straight line method over a period of three years.

**q) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**r) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**s) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

**t) Provisions**

Provisions for legal claims, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

**u) Employee benefits****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefits obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.



**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined contribution plans**

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

**(iv) Bonus plans**

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**v) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**w) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**x) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III, unless otherwise stated.

**y) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

## 3. Property, Plant and Equipment

Description of Assets	Freehold Land	Buildings	Computers	Plant and Equipment	Office Equipment	Furniture and Fixtures	Electrical Installations	Vehicles	Tools and Equipment	Total
<b>I. Cost or deemed cost</b>										
Balance as at April 1, 2022	237.06	605.80	49.98	1,912.68	74.58	82.23	112.69	103.55	30.03	3,208.60
Additions	-	22.66	1.26	29.46	1.13	0.09	-	-	-	54.60
Disposals	0.67	6.62	-	-	-	-	-	-	-	7.30
Balance as at Mar 31, 2023	236.39	621.83	51.24	1,942.14	75.71	82.32	112.69	103.55	30.03	3,255.91
<b>II. Accumulated depreciation</b>										
Balance as at April 1, 2022	-	219.07	46.83	1,191.94	67.43	65.74	109.47	53.44	27.83	1,781.73
Depreciation expense	-	13.78	1.04	64.63	2.14	4.82	1.61	9.57	0.75	98.35
Eliminated on disposal of assets	0.67	2.89	-	-	-	-	-	-	-	3.56
Balance as at Mar 31, 2023	0.67	229.96	47.86	1,256.58	69.57	70.56	111.08	63.01	28.58	1,876.52
<b>III. Carrying Amount</b>										
Balance as at April 1, 2022	237.06	386.73	3.15	720.73	7.16	16.49	3.22	50.11	2.21	1,426.87
Additions	-	22.66	1.26	29.46	1.13	0.09	-	-	-	54.60
Disposals	0.67	3.74	-	-	-	-	-	-	-	4.41
Depreciation expense	-	13.78	1.04	64.63	2.14	4.82	1.61	9.57	0.75	98.35
Balance as at Mar 31, 2023	236.39	391.88	3.38	685.56	6.14	11.76	1.61	40.54	1.46	1,378.71

<b>I. Cost or deemed cost</b>										
Balance as at April 1, 2021	237.06	597.86	49.58	1,888.90	71.42	82.18	112.69	103.55	30.03	3,173.29
Additions	-	7.94	0.39	23.77	3.16	0.05	-	-	-	35.32
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at Mar 31, 2022	237.06	605.80	49.98	1,912.68	74.58	82.23	112.69	103.55	30.03	3,208.60
<b>II. Accumulated depreciation</b>										
Balance as at April 1, 2021	0	205.42	45.72	1,118.27	65.48	60.91	107.08	43.86	27.04	1,673.78
Depreciation expense	-	13.65	1.10	73.68	1.95	4.83	2.39	9.57	0.79	107.96
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at Mar 31, 2022	-	219.07	46.83	1,191.94	67.43	65.74	109.47	53.44	27.83	1,781.73
<b>III. Carrying Amount</b>										
Balance as at April 1, 2021	237.06	392.44	3.86	770.64	5.94	21.28	5.61	59.69	3.00	1,781.73
Additions	-	7.94	0.39	23.77	3.16	0.05	-	-	-	35.32
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	13.65	1.10	73.68	1.95	4.83	2.39	9.57	0.79	107.96
Balance as at Mar 31, 2022	237.06	386.73	3.15	720.73	7.16	16.49	3.22	50.11	2.21	1,426.87

**VAMSHI RUBBER LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts are in Indian rupees lakhs, except otherwise stated)

**Note No.3A****Capital-Work-in- Progress(CWIP)- as on 31.03.2023**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2.44	-	-	-	2.44
Projects temporarily suspended	-	-	-	-	-
Total	2.44	-	-	-	2.44

**Capital-Work-in- Progress(CWIP) as on 31.03.2022**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	1.59	-	-	-	1.59
Projects temporarily suspended	-	-	-	-	-
Total	1.59	-	-	-	1.59

VAMSHI RUBBER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

4. Other intangible assets

I. Cost	Intangible Assets	Total
Balance as at April 1, 2022	47.43	47.43
Additions	-	-
Balance as at Mar 31, 2023	47.43	47.43

II. Accumulated Depreciation and impairment		
Balance as at April 1, 2022	44.54	44.54
Amortization expense for the year 2022-23	1.24	1.24
Balance as at Mar 31, 2023	45.78	45.78

III. Carrying Amount		
Balance as at April 1, 2022	2.88	2.88
Additions	-	-
Depreciation expense	1.24	1.24
Balance as at Mar 31, 2023	1.64	1.64

Gross Carrying amount as at April 1, 2021	47.43	47.43
Additions	-	-
Balance as at March 31, 2022	47.43	47.43
II. Accumulated Depreciation and impairment		
Balance as at April 1, 2021	43.03	43.03
Amortization expense for the Year 2021-22	1.51	1.51
Balance as at March 31, 2022	44.54	44.54
III. Carrying Amount		
Balance as at April 1, 2021	4.39	4.39
Additions	-	-
Depreciation expense	1.51	1.51
Balance as at March 31, 2022	2.88	2.88



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

## 5. Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current investments (Refer Note 1 below)		
Investment carried at fair value through profit and loss		
(i) Equity instruments of other entities (unquoted)	40.00	40.00
	40.00	40.00

## Note 1: Details of Non-Current Investments

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Equity instruments of other entities (unquoted)		
Sneha Renewable Energies Limited ( 4,00,000 Shares)	40.00	40.00
Total	40.00	40.00
Aggregate carrying value of unquoted investments	40.00	40.00

## 6. Trade receivables

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Trade receivables Non Current		
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for doubtful	-	-
Total	-	-
Trade receivables - Current		
Unsecured, considered good	1,656.25	1,694.15
Doubtful	-	-
Less: Allowance for doubtful debts (expected credit loss allowance)	-	(13.94)
Total	1,656.25	1,680.21

**Trade Receivable ageing schedule:****As on 31 March 2023:**

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	517.61	796.75	165.53	29.19	55.29	91.88	1,656.24
(ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>517.61</b>	<b>796.75</b>	<b>165.53</b>	<b>29.19</b>	<b>55.29</b>	<b>91.88</b>	<b>1,656.25</b>

**As on 31 March 2022:**

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	917.00	472.26	43.44	94.72	73.46	79.33	1,680.21
(ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>917.00</b>	<b>472.26</b>	<b>43.44</b>	<b>94.72</b>	<b>73.46</b>	<b>79.33</b>	<b>1,680.21</b>

**Notes:**

- (i) No trade or other receivable are due from directors or other officers of the company either severally or
- (ii) Trade receivables are non-interest bearing.
- (iii) Refer note 32 for disclosure of credit risk on trade receivables.

## VAMSHI RUBBER LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

## 7. Income taxes

## 7.1 Deferred tax balance

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax Liability	115.78	113.92
Deferred tax Asset	164.54	177.43
<b>Total</b>	<b>48.76</b>	<b>63.51</b>

2022-23	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities)/assets in relation to				
Depreciation & Amortization	(122.68)	6.90	-	(115.78)
Employee benefit expense	52.20	3.73	(3.45)	52.49
Expected credit loss	4.82	(4.82)	-	-
Transaction cost on Borrowings	(0.65)	0.65	-	-
Others	129.81	(17.75)	-	112.06
<b>Total</b>	<b>63.51</b>	<b>(11.29)</b>	<b>(3.45)</b>	<b>48.76</b>

2021-22	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities)/assets in relation to				
Depreciation & Amortization	(122.68)	-	-	(122.68)
Employee benefit expense	50.42	-	1.78	52.20
Expected credit loss	4.82	-	-	4.82
Transaction cost on Borrowings	(0.65)	-	-	(0.65)
Others	136.69	6.88	-	129.81
<b>Total</b>	<b>68.61</b>	<b>6.88</b>	<b>1.78</b>	<b>63.51</b>



## 7.2. Current tax assets and liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current tax assets</b>		
Income Tax Refunds	13.04	15.07
TDS/TCS Receivable	4.82	2.76
	<b>17.86</b>	<b>17.83</b>
<b>Current tax liabilities</b>		
Income tax payable	6.92	-
<b>Total Current tax liabilities</b>	<b>6.92</b>	<b>-</b>

## 7.3 - Tax Expense

## a) Recognised in statement of profit and loss

Particulars	For the Qtr ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax</b>		
In respect of the current year	6.92	-
	<b>6.92</b>	<b>-</b>
<b>Deferred tax</b>		
In respect of the current year	11.30	4.47
	<b>11.30</b>	<b>4.47</b>

## b) Recognised in Other comprehensive Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
In respect of the current year	-	-
In respect of prior years	-	-
	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
In respect of the current year	(3.45)	(0.63)
	<b>(3.45)</b>	<b>(0.63)</b>

*The Income tax expense for the year can be reconciled to the accounting profit as follows*

Particulars	As at March 31, 2023	As at March 31, 2022
Profit before tax from continuing operations / Book Profit	44.36	7.37
Tax rate	15.60%	26.00%
Income tax expense calculated at 15.60 (21-22 : 26%)	6.92	1.92
Adjustments recognised in the current year in relation to the current tax of prior years	-	2.55
<b>Income tax expense recognised in profit or loss</b>	<b>6.92</b>	<b>4.47</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**(All amounts are in Indian rupees lakhs, except otherwise stated)**

**8. Inventories**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Inventories (lower of cost and net realisable value)		
Raw materials	203.58	303.27
Work-in-progress	225.80	265.37
Finished goods	594.18	771.86
Consumables & Stores	64.11	66.86
<b>Total</b>	<b>1,087.68</b>	<b>1,407.36</b>

**Note - 9: Cash and Bank Balances****9A. Cash and Cash Equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
in current accounts	0.35	3.87
Cash on hand	2.00	2.25
<b>Total</b>	<b>2.34</b>	<b>6.11</b>

**9B. Other Bank balances**

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividend account	8.29	16.67
Deposits held as margin money/security for bank guarantees	14.69	21.50
<b>Total</b>	<b>22.98</b>	<b>38.17</b>

**10. Other financial assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Interest accrued on deposits	1.71	2.15
Security deposits	8.02	7.51
<b>Total</b>	<b>9.73</b>	<b>9.65</b>

**11. Other assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current:</b>		
Prepaid expenses	17.30	21.54
Deposits with government authority	54.44	57.10
Advances recoverable in cash or kind -Current	12.02	16.22
Other Receivables from government Departments	45.43	59.22
<b>Total</b>	<b>129.19</b>	<b>154.08</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

## 12. Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital:</b>		
45,00,000 fully paid up equity shares of Rs.10 each	450.00	450.00
<b>Issued and subscribed capital:</b>		
4,206,800 fully paid up equity shares of Rs.10 each	420.68	420.68
<b>Total</b>	<b>420.68</b>	<b>420.68</b>

## Notes:

## (A) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at April 1, 2022</b>	42,06,800	42,06,800
Issue of shares	-	-
<b>Balance at March 31, 2023</b>	<b>42,06,800</b>	<b>42,06,800</b>

## (B) Details of shares held by each shareholder holding more than 5% shares

Name of the Share Holder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
M.Ramesh Reddy	5,99,850	14.26%	5,99,850	14.26%
K.Surya Prabha	4,43,043	10.53%	4,43,043	10.53%
R.Surendra Reddy	3,52,543	8.38%	3,52,543	8.38%
The Hercules Tire and Rubber Co., USA	4,15,000	9.86%	4,15,000	9.86%
P.Varun Kumar	3,47,655	8.26%	3,47,655	8.26%

## (C). Rights, preferences and restrictions attached to equity shares:

The company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.



VAMSHI RUBBER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

(D). Promoters Share Holding

Name of the Shareholder	31st March, 2023			31st March, 2022		
	Number of shares	% holding	% Change	Number of shares	% holding	% Change
R. Sujatha Reddy	1,15,000	2.73	-	1,15,000	2.73	-
Srivarra Mereddy	75,188	1.79	-	75,188	1.79	-
Thummalapally Ananth Reddy	10	0.00	-	10	0.00	-
Pasham Deepika	1,39,650	3.32	-	1,39,650	3.32	-
Ganti Kameswari	3,100	0.07	-	3,100	0.07	-
K. Surya Prabha	4,43,043	10.53	-	4,43,043	10.53	-
Kanmanthreddy Srinath Reddy	25,000	0.59	-	25,000	0.59	-
K. Sreedhar Reddy	21,500	0.51	-	21,500	0.51	-
K . Prameela	1,00,910	2.40	-	1,00,910	2.40	-
R. Surendra Reddy	3,52,543	8.38	-	3,52,543	8.38	-
M. Ramesh Reddy	5,99,850	14.26	-	5,99,850	14.26	-
Varun Kumar Pasham	3,47,655	8.26	-	3,47,655	8.26	-
Ramsri Investments Limited	1,74,476	4.15	-	1,74,476	4.15	-

**13. Other equity**

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	869.59	850.50
<b>Balance at end of year</b>	<b>869.59</b>	<b>850.50</b>

13.1 Retained earnings	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	850.50	845.83
Net profit for the year	19.09	4.68
<b>Balance at end of year</b>	<b>869.59</b>	<b>850.50</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

## 14. Non-current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured - at amortised cost</b>		
GECLTerm loans from banks	250.56	443.45
<b>Total</b>	<b>250.56</b>	<b>443.45</b>

\* Current maturities on long-term borrowings have been disclosed under the head Current Borrowings.

## Summary of borrowing arrangements

## 14.1 ECLGS 1.0:

ECLGS 1.0 Loan from City Union Bank, Himayatnagar, Hyderabad is secured by Inventory and book debts, movable and immovable properties and personal guarantee by directors in their individual capacity. The repayment will be in 36 monthly installments starting from April,2022

## 14.2 ECLGS 1.0 Extention Loan

ECLGS 1.0 extention Loan from City Union Bank, Himayatnagar, Hyderabad is secured by Inventory and book debts, movable and immovable properties and personal guarantee by directors in their individual capacity. The repayment will be in 36 monthly installments starting from December, 2023.

## 15. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non - Current</b>		
Deferred Sales Tax Liability	42.87	69.44
<b>Total</b>	<b>42.87</b>	<b>69.44</b>
<b>Current</b>		
*Unpaid Dividends	8.29	16.67
Others		
(ii) Creditors for expenses	177.37	167.54
(iii) Others	51.37	86.26
<b>Total</b>	<b>237.00</b>	<b>270.00</b>

\*

Unpaid dividends- FY 2015-16 Rs.8,29,203/-

## 16. Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non - Current</b>		
- Gratuity	178.41	195.30
<b>Total Non current</b>	<b>178.41</b>	<b>195.30</b>
<b>Current</b>		
- Gratuity	13.87	5.61
<b>Total Current</b>	<b>13.87</b>	<b>5.61</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

## 17. Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured - at amortised cost</b>		
Loans repayable on demand		
from banks ( cash credits)	1,574.30	1,611.40
Current maturities of Long term borrowings	221.62	258.12
<b>Total</b>	<b>1,795.92</b>	<b>1,869.52</b>

## Notes:

## i) Loan from banks

Loans secured by Inventory and book debts, movable and immovable properties and personal guarantee by directors in their individual capacity

## 18. Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Payables - Current</b>		
Dues to micro enterprises and small enterprises	124.56	95.58
Dues to creditors other than micro and small enterprises	457.18	627.72
<b>Total</b>	<b>581.74</b>	<b>723.29</b>

Trade Payable ageing schedule:

As on 31 March 2023:

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	124.56	-	-	-	-	124.56
(ii) Others	-	457.18				457.18
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>124.56</b>	<b>457.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>581.74</b>

As on 31 March 2022:

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	95.58	-	-	-	-	95.58
(ii) Others	-	627.72				627.72
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>95.58</b>	<b>627.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>723.30</b>

**Terms and conditions of the above financial liabilities:**

(i) Trade payables are non-interest bearing

VAMSHI RUBBER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

19. Revenue from operations

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sale of products	7,993.95	6,898.57
<b>Total</b>	<b>7,993.95</b>	<b>6,898.57</b>

20. Other income (net)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Interest income on financial assets carried at amortised cost</b>		
Bank Deposits	4.09	6.73
	<b>4.09</b>	<b>6.73</b>
<b>Other non-operating income</b>		
Rental Income	17.60	-
Miscellaneous income ( net)	15.52	7.47
	<b>33.12</b>	<b>7.47</b>
<b>Total</b>	<b>37.21</b>	<b>14.20</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

## 21. Cost of materials consumed

Particulars	For the Year ended March 31, 2023	For the Year ended Mar 31, 2022
(a) Opening stock	303.27	267.63
(b) Add: Purchases	5,564.83	5,031.61
(c) Less: Closing stock	203.58	303.27
<b>Total</b>	<b>5,664.51</b>	<b>4,995.97</b>

## 22. Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended March 31, 2023	For the Year ended Mar 31, 2022
<b>Opening Stock:</b>		
Finished goods	771.86	729.21
Work-in-progress	265.37	192.16
	<b>1,037.23</b>	<b>921.37</b>
<b>Closing Stock:</b>		
Finished goods	594.18	771.86
Work-in-progress	225.80	265.37
	<b>819.99</b>	<b>1,037.23</b>
<b>Net (increase) / decrease</b>	<b>217.24</b>	<b>(115.86)</b>

## 23. Employee Benefits Expense

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Contribution to provident and other funds	682.94	667.72
Gratuity	27.81	30.67
Contract Labour charges	23.87	23.81
Contract Labour charges	190.41	184.43
Staff welfare expenses	14.05	13.91
<b>Total</b>	<b>939.08</b>	<b>920.54</b>

## 24. Finance costs

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest expense</b>		
- Interest on bank Term Loans & CC Loans	195.62	195.37
- Other interest expense	4.12	4.75
<b>Total</b>	<b>199.73</b>	<b>200.11</b>

## 25. Depreciation and amortisation expense

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
-Depreciation of property, plant and equipment	98.35	107.96
-Amortisation of intangible assets	1.24	1.51
<b>Total</b>	<b>99.59</b>	<b>109.47</b>



VAMSHI RUBBER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

26. Operating & Other Expenses

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Insurance	13.66	13.65
Stores consumed	56.40	52.66
Packing material consumed	62.92	62.69
Power & Fuel	416.89	321.85
Repairs & Maintenance		-
- Buildings	1.81	2.33
Rent, Rates & Taxes	32.75	30.45
Computer Maintenance	1.42	1.59
Travelling & Conveyance	42.04	22.54
Postage & Telephones	1.71	2.20
Professional & Legal Expenses	12.86	10.28
Marketing & Service Charges	36.38	27.82
Freight Outward	105.35	114.50
Loading & Un-Loading Charges	17.01	15.53
Bank Charges	12.55	28.40
Sitting Fees to Directors	0.55	0.45
Auditors Remuneration	1.25	1.25
Telephone and Telex Charges	1.18	1.10
Vehicle Maintenance	17.90	16.71
Books and Periodicals	0.02	0.05
Security Charges	16.32	16.32
Printing and Stationery	1.32	0.93
Office Maintenance	8.17	7.66
Electricity Charges	5.37	3.51
General Expenses	3.36	2.63
Registration, Licence & Filing Fee	3.59	3.61
Membership Fee	0.99	1.03
Bad Debts written off	0.01	6.15
Interest on TDS	0.03	0.04
Donations	-	0.25
<b>Total</b>	<b>873.82</b>	<b>768.17</b>

Notes:

i) Auditors' remuneration(net of GST) comprises of:

Particulars	For the Year ended March 31, 2023	For the Qtr ended March 31, 2022
<b>Company</b>		
For statutory audit	1.00	1.00
For Taxation	0.25	0.25
<b>Total Auditors' remuneration</b>	<b>1.25</b>	<b>1.25</b>

**27.Exceptional Items**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit on Sale of Land	(33.56)	-
Assets written off	3.74	-
<b>Total</b>	<b>(29.82)</b>	<b>-</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****(All amounts are in Indian rupees lakhs, except otherwise stated)****28. Earnings per share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	
	March 31,2023	March 31,2022
Profit after tax	9.27	2.90
<b>Basic and diluted EPS:</b>		
Number of shares outstanding at the year end	42,06,800	42,06,800
Weighted average number of equity shares	42,06,800	42,06,800
Earnings per share (‘)	0.22	0.07

*Note: EPS is calculated based on profits excluding the other comprehensive income*

**29. Segment Information**

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes. The Company's activities relate only to one segment i.e., manufacturing of Precured Tread Rubber.

The company operates in one geographic segment "India"

**30. Contingent Liabilities not provided for**

Particulars	As at March 31, 2023	As at March 31, 2022
a) In respect of Bank Guarantees & LCs	73.39	158.32

**31. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	124.56	95.58
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian rupees lakhs, except otherwise stated)

**32 Capital and Financial risk management objectives and policies****A. Capital Management**

The Company's objective for capital management is to maximise shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

**B. Financial Risk Management Framework**

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates and interest rates. Future specific market movements cannot be normally predicted with reasonable accuracy.

**Foreign currency risk**

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US\$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the company is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

**Details of unrealised amounts from overseas buyers:**

Particulars	As at March 31, 2023	As at March 31, 2022
USD Receivables	136.90	168.59
EURO Receivables	39.17	68.06

Sensitivity Movement: The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Particulars	Impact on profit before tax	
	31 March, 2023	31 March 2022
USD Sensitivity		
INR/USD - Increase by 1 rupee	1.65	2.33
INR/USD - Decrease by 1 rupee	(1.65)	(2.33)
EUR Sensitivity		
INR/EUR - Increase by 1 rupee	0.44	0.80
INR/EUR - Decrease by 1 rupee	(0.44)	(0.80)



**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on Profit before tax	
	31 March, 2023	31 March, 2022
Interest rates-increase by 50 basis points	(72.02)	(12.33)
Interest rates-decrease by 50 basis points	72.02	12.33

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets.

**(i) Year ended 31 March, 2023:****(a) Expected credit loss for financial assets where general model is applied**

Particulars	Asset group	Estimated gross carrying amount	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition			
Loss allowance measured at 12 month expected credit losses	Other financial assets	9.73	9.73
Loss allowance measured at Life time expected credit losses			

**(b) Expected credit loss for financial assets where simplified approach is followed**

Particulars	Asset group	Estimated gross carrying amount	Carrying amount net of provision
Loss allowance measured at Life time expected credit losses	Trade Receivables	1,656.25	1,656.25

**(i) Year ended 31 March, 2022:****(a) Expected credit loss for financial assets where general model is applied**

Particulars	Asset group	Estimated gross carrying amount at default	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition			
Loss allowance measured at 12 month expected credit losses	Other financial assets	9.65	9.65
Loss allowance measured at Life time expected credit losses			

**(b) Expected credit loss for financial assets where simplified approach is followed**

Particulars	Asset group	Estimated gross carrying amount at default	Carrying amount net of provision
Loss allowance measured at Life time expected credit losses	Trade Receivables	1,680.21	1,680.21

**Significant estimates and judgements**

**Impairment of financial assets**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	in next 12 months	> 1 Year	Total
<b>Year ended March 31, 2023</b>				
Borrowings	-	1,795.92	250.56	2,046.48
Other financial liabilities	-	237.03	42.87	279.90
Trade and other payables	-	581.74	-	581.74
	-	<b>2,614.69</b>	<b>293.43</b>	<b>2,908.12</b>
<b>Year ended March 31, 2022</b>				
Borrowings	-	1,869.52	443.45	2,312.96
Other financial liabilities	-	270.47	69.44	339.91
Trade and other payables	-	723.29	-	723.29
		<b>2,863.28</b>	<b>512.88</b>	<b>3,376.16</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
(All amounts are in Indian Rupees Lakhs, except otherwise stated)

**33 Financial Instruments**

(i) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Cost or deemed cost	Fair Value Hierarchy	Carrying Values		Fair Value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Assets:</b>					
<b>Non-Current</b>					
i) Investments	Level 2	40.00	40.00	40.00	40.00
<b>Current</b>					
i) Trade receivables	Level 3	1,656.25	1,680.21	1,656.25	1,680.21
ii) Cash and cash equivalents	Level 3	2.34	6.11	2.34	6.11
iii) Other balances with banks	Level 3	22.98	38.17	22.98	38.17
iv) Other financial assets	Level 3	9.73	9.65	9.73	9.65
<b>Liabilities:</b>					
<b>Non-Current</b>					
(i) Borrowings	Level 3	250.56	443.45	250.56	443.45
(ii) Other non current financial liabilities	Level 3	221.27	264.74	221.27	264.74
<b>Current</b>					
i) Borrowings	Level 3	1,795.92	1,869.52	1,795.92	1,869.52
ii) Trade payables	Level 3	457.18	723.29	457.18	723.29
iii) Other current financial liabilities	Level 3	250.90	270.47	250.90	270.47

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### **Fair value hierarchy**

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in stock exchanges is valued using the closing price as at the reporting period.

Level 2 - The fair value of financial instruments not actively traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If the significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

- i) The Carrying values of Current financial liabilities and current financial assets are taken as their fair value because of their short term nature.
- ii) The Carrying values of Non-Current financial liabilities and Non-current financial assets are taken as their fair value based on their discounted cash flows.
- iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the company could have realised or paid in sale transactions as of respective dates, as such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

### **Significant estimate:**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**(All amounts are in Rs. Lakhs, except otherwise stated)**

**Note No.34**

**Post Employment Benefit Plans**

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn) for every completed year of service.

The following tables summarize the components of net benefit expenses recognized in the statement of profit and loss and the amounts recognized in the balance sheet for the respective plans.

**a) Reconciliation of Defined Benefit Obligation:**

Particulars	31 March-23	31 March-22
Liability at the beginning of the period / year	200.91	199.08
Current Services Cost	10.45	11.32
Interest Cost	13.42	12.49
Benefits Cost	-19.24	-19.57
Actuarial (gain)/Loss	-13.26	-2.40
Liability at the end of the period / year	192.27	200.91

**b) Amount recognized in the Balance Sheet**

Particulars	31 March-23	31 March-22
Liability at the end of the Period / Year	192.27	200.91
Fair value of plan assets at the end of the Period / Year	0.00	0.00
Amount to be recognized in Balance Sheet	192.27	200.91

**c) Expenses recognized in the Statement of Profit and Loss under employee benefits expense**

Particulars	31 March-23	31 March-22
Current Service Cost	10.45	11.32
Interest Cost	13.42	12.49
Expense recognized in Statement of Profit and Loss	23.87	23.09

**d) Re-measurement costs for the period recognized in Other Comprehensive Income**

Particulars	31 March-23	31 March-22
Experience (gain)/Loss on plan liabilities	-13.26	-2.40
Demographic (gain)/Loss on plan liabilities	-	-



**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
(All amounts are in Rs. Lakhs, except otherwise stated)

**e) Principal assumptions used in determining gratuity:**

Particulars	31 March-23	31 March-22
Salary Escalation	4%	4%
Discount Rate	7.33%	7.02%
Employee Turnover	4%	4%

**f) Sensitivity Analysis**

Assumptions	As at 31.03.2023	As at 31.03.2022
Discount Rate		
1% Increase	180.05	188.43
1% Decrease	205.90	214.81
Salary Rate		
1% Increase	216.49	220.11
1% Decrease	171.09	183.78
Attrition Rate		
1% Increase	208.01	209.86
1% Decrease	172.79	194.20

**NOTE NO. 35**

**Managerial Remuneration:**

Particulars	2022-23	2021-22
Remuneration		
- Managing Director	44.00	45.33
- Whole Time Directors	88.00	90.67
- Company Secretary	4.20	4.76
<b>TOTAL</b>	<b>136.20</b>	<b>140.76</b>

**NOTE NO. 36**

Pursuant to the provisions of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee or director, who was in receipt of remuneration for the year under consideration exceeding one crore two lakh rupees, the information of which could form part of the Director's Report for the year ended 31<sup>st</sup> March 2023.

**NOTE NO. 37**

The company has published Quarterly financial results in accordance with the requirements of listing agreement with stock exchange. The recognition and measurement principle as laid down in the Ind AS – 34 "Interim Financial Reporting" have been followed in the presentation of these results.



**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**(All amounts are in Rs. Lakhs, except otherwise stated)**

**NOTE NO. 38**

**Foreign Exchange Earnings and Outflow:**

Particulars	Current Year	Previous Year
Expenditure in Foreign Currency:		
On Raw Material	210.13	137.50
On Machinery Consumables	NIL	NIL
On Capital Goods	NIL	NIL
Earning in Foreign Currency:	1113.85	955.34

**NOTE NO. 39**

**Transactions with the related parties pursuant to IND AS 24:**

**List of Related Parties**

Key managerial personnel	<ul style="list-style-type: none"> <li>- Sri M.Ramesh Reddy (Chairman)</li> <li>- Sri R.Surendra Reddy (Managing Director)</li> <li>- Sri P.Varun Kumar (Personnel &amp; Administration)</li> <li>- Mr. Akash Bhagadia (Company Secretary)</li> <li>- Ms. Aradhana Kawde (Company Secretary) – Retired.</li> </ul>
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**Transaction with the Related Parties:**

Particulars	Enterprise significantly influenced by KMP		Key Management personnel	
	2022-23	2021-22	2022-23	2021-22
Remuneration paid (Directors)	-	-	132.00	136.00
Remuneration (Company Secretary)	-	-	4.20	4.76

**Balance as at 31st March**

Particulars	Enterprise significantly influenced by KMP		Key Management Personnel	
	2022-23	2021-22	2022-23	2021-22
Remuneration (Directors)	--	--	9.57	9.05
Remuneration (Company Secretary)	--	--	0.35	0.35

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.40

## Operational Ratios

Sl.No	Ratio	Numerator	Denominator	31 March, 2023	31 March, 2022	% change	Reason for variance-above 25%
1	Current ratio	Current Assets	Current Liabilities	1.11	1.15	(4.47)	-
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.59	1.82	(23.34)	-
3	Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Depreciation+Interest Expense+(Profit)/Loss on Sale of Assets	Debt service = Interest & Lease Payments + Principal Repayments	0.61	0.69	(7.98)	-
4	Return on Equity ratio	Net Profits after taxes	Shareholder's Equity	0.01	0.00	1.11	-
5	Inventory Turnover ratio	Turnover	Inventory	7.35	4.90	2.45	-
6	Trade Receivable Turnover Ratio	Turnover	Trade Receivable	4.83	4.76	6.88	-
7	Trade Payable Turnover Ratio	Net credit purchases	Trade Payables	10.17	6.78	3.39	-
8	Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	27.51	15.52	11.99	-
9	Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.00	0.00	0.17	-
10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Total Equity-Total Borrowings	-0.04	-0.01	(3.41)	-
11	Return on Investment	Interest (Finance Income)	Investment	NA	NA	NA	-



**NOTE NO. 41**

**Additional Regulatory Information**

- There are no transaction with struck off companies under section 248 or 560 of the Companies Act, 2013.
- The company owns immovable property and the title deeds of those immovable properties are held in the name of the company.
- There are no proceedings initiated or pending against the company for holding a benami property under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.
- The company does not have any charges or satisfactions which is yet to be registered with Registrar of Companies beyond the statutory period.
- The company has not been declared as willful defaulter by any Bank or Financial Institution or any other lender.
- The company does not have any subsidiaries accordingly compliance related to the number of layers prescribed u/s.2(87) does not apply.
- The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- There is no Scheme of Arrangement that has been approved in terms of section 230 to 237 of the Companies Act, 2013.
- There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The company is not covered under section 135 of the Companies Act, 2013.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
(All amounts are in Rs. Lakhs, except otherwise stated)

**NOTE NO. 42**

Previous year figures have been regrouped wherever if thought necessary in conformity with the current year groupings. Paisa has been rounded off to the nearest rupee.

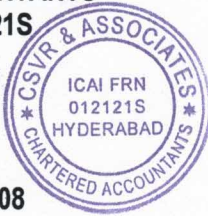
Notes to the financial statements and statement on accounting policies form an integral part of the balance sheet and profit and loss statement.

**SIGNATURES TO NOTE "1" TO "42"**

**VIDE OUR REPORT OF EVEN DATE**

For **CSVR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No.0012121S

*G. Venkatesh*  
(CA. VENKATESH)  
PARTNER  
Membership No.239608



Place : Hyderabad  
Date : 29.05.2023

**FOR AND ON BEHALF OF THE BOARD**

*[Signature]*  
(M.RAMESH REDDY)  
CHAIRMAN & CFO  
DIN: 00025101

*[Signature]*  
(R.SURENDRA REDDY)  
MANAGING DIRECTOR & CEO  
DIN: 00294240

*[Signature]*  
(AKASH BHAGADIA)  
COMPANY SECRETARY  
M.No. A50559

