

BOOK-POST



Vamshi House, Plot No. 41, Jayabheri Enclave,
Gachibowli, Hyderabad - 500 032. Telangana
E-mail : info@vamshirubber.org Website : www.vamshirubber.org

Vijaya Printers, Hyd - 98480 17220

23rd ANNUAL REPORT

20
17



Board of Directors

Mr. Mereddy Ramesh Reddy	Executive Chairman & CFO
Mr. Surendra Reddy Rachervu	Managing Director & CEO
Mr. Varun Kumar Pasham	Whole-Time Director
Mr. Venkateswara Sarma Kuchibhotla	Whole-Time Director
Mr. Arolla Venkat Reddy	Independent, Non-Executive Director
Mr. Neerudu Sandeep Kumar Reddy	Independent, Non-Executive Director
Mr. Vamsheedhar Reddy Arrabothu	Independent, Non-Executive Director
Mrs. Akhila Pushpa Sundari	Independent, Non-Executive Director
Ms. Titiksha Jain	Company Secretary & Compliance Officer

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
Website: vamshirubber.org

Factory

Survey No. 312/E, Lingojjigudem Village,
Choutuppal Mandal,
Nalgonda District - 508252,
Telangana

Statutory Auditors

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

Internal Auditors

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

Secretarial Auditors

Manoj Kumar Koyalkar
#202, Pavani Annexe,
Banjara Hills, Hyd-500 034

Bankers

State Bank of India
SME Branch, Saifabad,
Hyderabad-500 004, 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

STATUTORY COMMITTEES

Audit Committee

Mr. A. Venkat Reddy	Chairman
Mr. Vamsheedhar Reddy Arrabothu	Member
Mr. Neerudu Sandeep Reddy	Member

Nomination and Remuneration Committee

Mr. Neerudu Sandeep Reddy	Chairman
Mr. A. Venkat Reddy	Member
Mr. Vamsheedhar Reddy Arrabothu	Member

Stakeholders Relationship Committee

Mr. A. Venkat Reddy	Chairman
Mr. Vamsheedhar Reddy Arrabothu	Member
Mr. P Varun Kumar	Member

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 23rd Annual General Meeting of the Company (“**Vamshi Rubber Limited**”) will be held on **Saturday**, the **23rd** day of **September, 2017** at **10.30 A.M.** at J.S. Krishna Murthy Auditorium, FTAPCCI, Red Hills, Hyderabad, Telangana 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 31st March 2017 along with Notes, the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Appointment of Director

To appoint a Director in place of Mr. Varun Kumar Pasham (holding DIN 00293972), who retires by rotation and, being eligible, offers himself for re-appointment.

Item No. 3 – Appointment of Statutory Auditors of the Company and fix their remuneration

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

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. CSVR Associates, Chartered Accountants (Firm Registration No.012121S), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. Ramana Reddy & Associates, Chartered Accountants (Firm Registration No. 003246S), to hold office from the conclusion of this 23rd AGM until the conclusion of the 28th AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

Item No. 4 – Re-appointment of Mr. R. Surendra Reddy (holding DIN: 00294240) as Managing Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of sections 196, 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), as approved by the Nomination and remuneration Committee and Audit Committee, consent of members be and is hereby accorded for re-appointment of Mr. R. Surendra Reddy (holding DIN: 00294240) as Managing Director of the Company for a period of five years w.e.f. 01.07.2017 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration Committee.”

“RESOLVED FURTHER THAT Mr. R. Surendra Reddy, Managing Director, will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.”

“RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorised to file required forms with the office of the Registrar of Companies and to make necessary entries in the Register of Directors maintained by the Company and to take all other necessary steps as may be required under the Companies Act, 2013 for giving effect to these resolutions.”

Item No. 5 – Re-appointment of Mr. Varun Kumar Pasham (holding DIN: 00293972) as Whole-Time Director of the Company

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), as approved by the Nomination and remuneration Committee and Audit Committee, consent of members be and is hereby accorded for re-appointment of Mr. Varun Kumar Pasham (holding DIN: 00293972) as Whole-Time Director of the Company for a period of five years w.e.f. 01.07.2017 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration Committee.”

“RESOLVED FURTHER THAT Mr. Varun Kumar Pasham, Whole-Time Director, will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.”

“RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorised to file required forms with the office of the Registrar of Companies and to make necessary entries in the Register of Directors maintained by the Company and to take all other necessary steps as may be required under the Companies Act, 2013 for giving effect to these resolutions.”

Item No. 6 – Re-appointment of Mr. Venkateswara Sarma Kuchibhotla (holding DIN: 00293746) as Whole-Time Director of the Company

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), as approved by the Nomination and remuneration Committee and Audit Committee, consent of members be and is hereby accorded for re-appointment of Mr. Venkateswara Sarma Kuchibhotla (holding DIN:

00293746) as Whole-Time Director of the Company for a period of five years w.e.f. 01.07.2017 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration Committee.”

“**RESOLVED FURTHER THAT** Mr. Venkateswara Sarma Kuchibhotla, Whole-Time Director, will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/ amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.”

“**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorised to file required forms with the office of the Registrar of Companies and to make necessary entries in the Register of Directors maintained by the Company and to take all other necessary steps as may be required under the Companies Act, 2013 for giving effect to these resolutions.”

Date: 28th August, 2017

Place: Hyderabad

Registered Office:

‘VAMSHI HOUSE’, Plot No. 41,
Jayabheri Enclave, Gachibowli,
Hyderabad - 500 032, Telangana

By order of the Board
for **VAMSHI RUBBER LIMITED**

Sd/-
R. SURENDRA REDDY
Managing Director & CEO
DIN: 00294240

NOTES:

1. 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.
2. **A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or other authority shall be deposited at the Registered Office of the Company at 'VAMSHI HOUSE', Plot No. 41, Jayabheri Enclave, Gachibowli, Hyderabad-500032, Telangana not less than 48 hours before the commencement of the meeting.**
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing is given to the Company.
4. Members/Proxies should bring the duly filled in and signed attendance slip mentioning therein details of their DP ID and Client ID/ Folio No. which is enclosed herewith to attend the meeting.
5. 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.
6. 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.
7. 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 7 (seven) days in advance before the date of the Annual General Meeting, specifying the points.
8. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the financial year ended 31st March, 2010 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 to 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 31st March, 2010 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.

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

Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming Unpaid Dividend
31/03/2010	29/09/2010	02/11/2017
31/03/2011	29/09/2011	02/11/2018
31/03/2012	29/09/2012	02/11/2019
31/03/2013	27/09/2013	31/10/2020
31/03/2014	27/09/2014	31/10/2021
31/03/2015	30/09/2015	30/10/2022
31/03/2016	29/09/2016	29/10/2023

9. 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.
 - (a) Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
 - (b) Changes, if any, in their address at an early date.
 - (c) Application for consolidation of folios, if shareholdings are under multiple folios.
 - (d) Despatch of share certificates for consolidation.
 - (e) Request for nomination forms for making nominations as per the provisions of the Companies Act.
10. Members are requested to quote ledger folio numbers in all their correspondences.
11. 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.
12. 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.
13. 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.
14. **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.**
15. 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

16. 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 following:

rta@cilsecurities.com

The Annual Report for the year ending 31st March, 2017 and Notice of the AGM inter alia indicating the manner and process of remote e-voting along with the Attendance Slip and Proxy Form are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

17. Members may also note that the Notice of the 23rd AGM and the Annual Report for the financial year ending on 31st March, 2017 will also be available on the Company’s website www.vamshirubber.org for download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office in Hyderabad for inspection during the normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company’s email id: info@vamshirubber.org.
18. Members are requested to note that the Company’s Equity Shares are compulsorily traded in demat form for the investors, effective from 26th 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.
19. 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.
20. (a) 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. It may be noted that this remote e-voting facility is optional. This facility will be available at the link www.evotingindia.com during the following voting period:
- | | |
|---------------------------------|--|
| Commencement of remote e-voting | : From 09.00 A.M on 20.09.2017 |
| End of remote e-voting | : Up to 05.00 P.M on 22.09.2017 |
- Remote e-voting shall not be allowed beyond 05.00 P.M on **22.09.2017**. 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 16.09.2017.

- (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. Manoj Kumar Koyalkar, Practicing Company Secretaries (CP 10004), as 'scrutinizer' for conducting and scrutinizing the remote e-voting process in a fair and transparent manner.
- (d) The login ID and password for remote e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for remote e-voting by e-mail.
- (e) "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. The procedure for casting votes online is as follows:

- (i) The shareholders should log on to the remote e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (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 and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Vamshi Rubber Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- (xviii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be kept open for inspection at the Registered Office of the Company during normal business hours (10.00 AM to 5.00 PM on all working days (except Saturdays) up to and including the date of the Annual General Meeting of the Company.
22. 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 in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding three (3) 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.
23. 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).
24. 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.

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 28.08.2017:

ITEM NO. 4, 5 & 6

Members may note that the Board of Directors at its meeting held on 29.05.2017 had subject to approval of members of the Company, in compliance with provisions of Section 196 and Section 197 of Companies Act, 2013, read with rules thereof and schedule V of the Act and as recommended by the Nomination and Remuneration Committee, proposed re- appointment of Mr. R. Surendra Reddy, Mr. Pasham Varun Kumar and Mr. Venkateswara Sarma Kuchibhotla as Managing Director, Whole-Time Director and Whole-Time Director, respectively for a period of five years w.e.f. 01.07.2017 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration Committee.

Except the above mentioned directors, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are any way concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 54 to 6 of the Notice.

Your Board recommends the resolution at set out in Items No. 4, 5 and 6 for approval of the members as Ordinary resolution.

Date: 12th August, 2017

Place: Hyderabad

Registered Office:

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

By order of the Board
for **VAMSHI RUBBER LIMITED**

Sd/-
R. SURENDRA REDDY
Managing Director
DIN: 00294240

Details of Directors seeking appointment / re-appointment in the 23rd Annual General Meeting (Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	R. Surendra Reddy	Pasham Varun Kumar	Venkateswara Sarma Kuchibhotla
Director Identification Number (DIN)	00294240	00293972	00293746
Date of Birth	10/05/1959	03/09/1963	01/03/1961
Nationality	Indian	Indian	Indian
Date of Appointment on Board	24/11/1993	24/11/1993	01/04/1998
Relationship with other Directors	Nil	Nil	Nil
Qualification	B.Tech	B.Com., LL.B	B.Tech.
Shareholding in Vamshi Rubber Limited (as on 31 st March, 2017)	352543 shares; 8.38%	347655 shares; 8.26%	434543 shares; 10.33%
Expertise in specific functional areas	Retreading Business	Retreading Business	Retreading Business
List of Directorships held in other Companies (as on 31 st March, 2017)	Nil	Nil	1. Fortune Tire Tech Limited
Memberships / Chairmanship of the Committees of Directors of other Companies (as on 31 st March, 2017)	Nil	Nil	Nil

**FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS
/ NOTICES BY ELECTRONIC MODE**

To
CIL Securities Limited
214, Raghava Ratna Towers
Chirag Ali Lane
Hyderabad-500 001,
Telengana, India

Company: VAMSHI RUBBER LIMITED

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : _____

DP ID / Client ID / Regd. Folio No. : _____

PAN No. : _____

E-mail Address : _____

Date:

Place:

(Signature of Member)

DIRECTORS' REPORT

To
The Members
Vamshi Rubber Limited

Your Directors have pleasure in presenting their 23rd Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2017.

1. Financial summary or highlights/Performance of the Company

The financial statements of the company are as follows:

(Amount in Rupees)

Particulars	Current Year 31-03-2017	Previous Year 31-03-2016
Other Income	28,97,729	22,38,839
Total Revenue	59,79,63,776	66,43,06,677
Expenses	57,61,59,140	63,31,89,785
Depreciation	1,12,07,692	1,09,37,881
Profit / (loss) Before exceptional and extraordinary items and Tax	1,05,96,944	2,01,79,011
Less: exceptional and extraordinary items	1,71,732	0
Profit/ (loss) Before Taxation	1,04,25,212	2,01,79,011
Less: - Current Tax	28,79,991	64,96,509
- Income Tax (Earlier years)	0	97,704
- Deferred Tax	5,41,073	4,89,684
Profit / (loss) After Tax	70,04,148	1,30,95,114

During the year under review, the gross revenue of the Company decreased to Rs. 59,50,66,047/- compared to Rs. 66,20,67,838/- in the previous year. The expenses of the Company has also been decreased to Rs. 57,61,59,140/- compared to Rs. 63,31,89,785/- in the previous year. The Profit after tax for the year decreased to Rs. 70,04,148/- compared to Rs. 1,30,95,114/- in the previous year.

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

During the year, raw-material prices dropped. This resulted in inventory losses affecting profitability. Expected growth of transportation was also sluggish. Better monsoon could help transportation and thereby our business prospects.

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 other 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 this Report.

5. Future Outlook

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

6. Dividend

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2017.

7. Reserves

Rs. 70,04,148 has been transferred to the Reserves during the financial year 2016-17, being the surplus for the year end 31st March, 2017.

8. Share Capital

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

The Authorised 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 March 31, 2017 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 four executive directors and four non-executive independent directors.

Approval of the shareholders is being sought for re-appointment of Mr. Varun Kumar Pasham, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment in accordance with the Companies Act, 2013 read with Articles of Association of the Company.

The Board at its meeting held on 29.05.2017, subject to approval of members in next general meeting, re-appointed Mr. R. Surendra Reddy, Mr. Pasham Varun Kumar and Mr. Venkateswara Sarma Kuchibhotla as Managing Director, Whole-Time Director and Whole-Time Director, respectively for a further tenure of five years w.e.f. 01.07.2017.

Appropriate resolution for the re-appointment is being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice. Your Directors recommend their re-appointment as envisaged in the notice.

10. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year four (4) Board Meetings were convened and held on 27.05.2016, 12.08.2016, 07.11.2016 and 14.02.2017. The intervening gap between the Meetings was within the period of 120 days as prescribed under the Companies Act, 2013.

Name of Director	Number of Meetings attended
Mr. Mereddy Ramesh Reddy	4
Mr. Surendra Reddy Rachervu	4
Mr. Varun Kumar Pasham	4
Mr. Venkateswara Sarma Kuchibhotla	4
Mr. Arolla Venkat Reddy	4
Mr. Neerudu Sandeep Kumar Reddy	4
Mr. Vamsheedhar Reddy Arrabothu	2
Mrs. Akhila Pushpa Sundari	3

11. Board Evaluation

The company believes formal evaluation of the board, its Committees 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 and Committee members helps in;

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

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 chairman
- Feedback on management support to the board.

12. Declaration by an Independent Director(s) and re- appointment, if any

A declaration has been received by 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.

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. The Independent Directors were also familiarised with their roles, rights and responsibilities and orientation on Statutory Compliances as a Board Member.

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 has, 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.

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, 12013, and no amount of principal or interest was outstanding as on the Balance Sheet date.

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 the 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.

None of the Directors had any pecuniary relationship or transactions with the Company, except the payments made to them in the form of remuneration, sitting fee and commission.

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

In accordance with Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as **Annexure-I**.

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 29.05.2015, 10.08.2015, 09.11.2015 and 12.02.2016.

The members of Audit Committee are :

Mr. A. Venkat Reddy	Chairman
Mr. Vamsheedhar Reddy Arrabothu	Member
Mr. Neeredu Sundeep Reddy	Member

20. Statutory Auditors

M/s. Ramana Reddy & Associates, Chartered Accountants, Hyderabad, were re-appointed as Statutory Auditors of the Company for a period of three (3) years from the conclusion of the 20th AGM to the conclusion of 23rd AGM, subject to ratification by the members at every AGM.

As per the second proviso to Section 139(2) of the Companies Act, 2013, (the Act), a transition period of three years from the commencement of the Act is provided to appoint a new auditor if the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Act, M/s CSVR Associates, Chartered Accountants, (Firm Registration No. 012121S), are proposed to be appointed as statutory auditors for a period of five years commencing from the conclusion of 23rd AGM till the conclusion of 28th AGM, subject to ratification by the members at every year, as may be applicable, in place of M/s. Ramana Reddy & Associates, Chartered Accountants.

M/s CSVR Associates, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors have recommended the appointment of M/s CSVR Associates, Chartered Accountants, as statutory auditors of the Company from the conclusion of 23rd AGM till the conclusion of 28th AGM, to the shareholders.

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.

21. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, Mr. Manoj Kumar Koyalkar, 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.

- The delay in filing the e-forms with Registrar of Companies was purely un-intentional and due to lack of information/documents within the due time. Board has taken necessary steps to ensure there is no delay in filing forms.
- The delay in filing of shareholding pattern for the quarter ended December, 2016 with BSE Limited was due to non-receipt of timely information. Board as a pro-active measure informed BSE in advance of such delay and ensured to file the shareholding pattern as soon as the information was received, i.e. within 4 days of delay.

22. 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.

23. 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.

The Company continued to engage M/s. CSVR Associates, Chartered Accountants, as its Internal Auditor for F.Y. 2016-2017. During the year, the Company continued to implement their suggestions and recommendations 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 29.05.2017, company appointed Mr. Satyanarayana Padala, Chartered Accountant, as Internal Auditor of the Company for the F.Y. 2017-18.

24. 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.

25. 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. The 'Manager' is responsible for implementation of the Code along with the management of the Company.

Members of the Board have confirmed compliance with the Code.

26. Risk management policy

The Risk Management Policy is in place in the company 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.

27. Business Responsibility Report (BRR)

Securities Exchange Board of India (SEBI) vide circular CIR/CFD/DIL/8/2012 dated August 13, 2012 has mandated the inclusion of BRR as part of the Annual Report for the top 100 listed entities based on their market capitalization on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd as at 31 March 2012. In view of the requirements specified, the company is not mandated for the providing the BRR and hence do not form part of this Report.

28. Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 is given as **Annexure – III** to this report.

29. 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.

30. Details of Subsidiary, Joint Venture or Associate Companies

The Company does not have any Subsidiary, Joint Venture or an Associate Company as on 31.03.2017.

31. 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.

32. 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.

33. 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 off during the year 2016-17:

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

34. 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	Electrical Energy units saved during 2016-17 in Extruder section 105833 Units and Cost Rs. 814913/- by taking the following steps:A. By Running both the 6" & 8" Extruders simultaneously.B. Maximizing the Extruder outputs by minimizing the Die changes.C. Extruding the LCV's in 6" Extruder there by reducing excess utilization of unwanted machinery (Power).
(ii)	the steps taken by the company for utilizing alternate sources of energy	-
(iii)	the capital investment on energy conservation equipments	-

(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	Manufacture of Precured Tread Rubber and its products and retreading equipments.
	(b) the year of import;	1995
	(c) whether the technology been fully absorbed	Yes
	(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

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:

Foreign Exchange Inflows: **Rs. 3,16,79,418**

Foreign Exchange Outflows: **Rs. 1,60,91,425**

35. 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 2016-17.

36. 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:

- i. that in the preparation of the annual accounts for the financial year ended 31st March 2017, the applicable accounting standards have been followed and there have been no material departures from them;

- ii. 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 31st March, 2017 and of the profit of the company for the year ended on that date;
- iii. 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;
- iv. that the annual financial statements have been prepared on a 'going concern' basis;
- v. 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
- vi. that proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively

37. Listing with Stock Exchanges:

The Securities Exchange Board of India (SEBI), on 02nd 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 1st 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 2016-2017 to BSE where the Company's Shares are listed.

38. 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.

39. 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.

40. 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.

41. Acknowledgements

Your Directors 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 Directors 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
DIN: 00294240

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

Date: 28th August 2017
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, 2017

(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	20.97
2.	Mr. R. Surendra Reddy	20.97
3.	Mr. P Varun Kumar	20.97
4.	Mr. K. V. Sarma	20.97
5.	Mr. A. Venkat Reddy	0
6.	Mr. N. Sandeep Kumar Reddy	0
7.	Mr. Vamsheedhar Reddy Arrabothu	0
8.	Ms. Akhila Pushpa Sundari	0

(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	9.68%
2.	Mr. R. Surendra Reddy	9.68%
3.	Mr. P Varun Kumar	9.68%
4.	Mr. K. V. Sarma	9.68%
5.	Mr. A. Venkat Reddy	Nil
6.	Mr. N. Sandeep Kumar Reddy	Nil
7.	Mr. Vamsheedhar Reddy Arrabothu	Nil
8.	Ms. Akhila Pushpa Sundari	Nil
9.	Ms. Titiksha Jain	Nil

- (iii) The percentage increase in the median remuneration of employees in the financial year is 8.40%
- (iv) The number of permanent employees on the rolls of Company as at 31st March, 2017: 176 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 last financial year is 8.40% and there has been also an increase of 9.68% in the managerial remuneration during the last 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
DIN: 000294240

Sd/-
M.Ramesh Reddy
Chairman
DIN: 00025101

Date: 28th August 2017
Place: Hyderabad

Annexure - II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2017
[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**"). 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 covering the financial year ended on March 31, 2017, 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 31, 2017 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;

Not Applicable to the Company during the Audit period

- 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 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:

- There was a delay in filing the following e-forms MR-1, CHG-1, MGT-7 and MGT-15 with Registrar of Companies.
- There was a delay in filing of shareholding pattern for the quarter ended December, 2016 with BSE Limited.

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.
- As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board or members were carried out unanimously.

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/-

Manoj Kumar Koyalkar

Company Secretary

FCS: 9298

C.P. No.: 10004

Hyderabad, August 28, 2017

*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/-

Manoj Kumar Koyalkar
Company Secretary
FCS: 9298
C.P. No.: 10004

Hyderabad, August 28, 2017

Annexure - III

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31st, 2017**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L25100TG1993PLC016634
2.	Registration Date	24/11/1993
3.	Name of the Company	VAMSHI RUBBER LIMITED
4.	Category/Sub-category of the Company	Category - Company Limited by Shares Sub-Category - Indian Non-Government Company
5.	Address of the Registered office & contact details	'VAMSHI HOUSE', Plot No. 41, Jayabheri Enclave, Gachibowli, Hyderabad-500032, Telangana Phone No.: 040-29802533/34 Fax No.: 040-29802535 E-mail Id: info@vamshirubber.org Website: vamshirubber.org
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CIL Securities Limited 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad – 500 001Telangana Phone No.: 040-23203155/23202465 Fax No.: 040-23203028/66661267 e-mail id: advisors@cilsecurities.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Precured Tread Rubber	4008 2940	88.75%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	Not Applicable				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	22,22,949	—	22,22,949	52.84	22,23,449	—	22,23,449	52.85	0.01
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	1,74,476	—	1,74,476	4.15	1,74,476	—	1,74,476	4.15	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other (Directors)	—	—	—	—	—	—	—	—	—
Sub-total (A) (1)	23,97,425	—	23,97,425	56.99	23,97,925	—	23,97,925	57.00	0.01
(2) Foreign									
a) NRIs – Individual	—	—	—	—	—	—	—	—	—
b) Other Individual	—	—	—	—	—	—	—	—	—
c) Bodies Corp	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub-total (A) (2)	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A)= (A) (1) + (A) (2)	23,97,425	—	23,97,425	56.99	23,97,925	—	23,97,925	57.00	0.01
B.Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	—

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	44,943	9,300	54,243	1.29	55,246	9,300	64,546	1.54	0.25
ii) Overseas	4,15,000	—	4,15,000	9.86	4,15,000	—	4,15,000	9.86	—
b) Individuals									
i) Individual share holders holding nominal share capital up to Rs. 1 lakh	725067	431871	1156938	27.50	—	—	—	—	(1.20)
ii) Individual share holders holding nominal share capital in excess of Rs. 1 lakh	117443	17600	135043	3.21	—	—	—	—	0.94
c) Others (NRIs)	12,503	30,600	43,103	1.02	11,409	30,600	42,009	1.00	(0.02)
d) Clearing Members	5,048	—	5,048	0.12	2,511	—	2,511	0.06	(0.06)
Sub-total (B)(2):-	13,20,004	4,89,371	18,09,375	43.01	13,25,504	4,83,371	18,08,875	43.00	(0.01)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13,20,004	4,89,371	18,09,375	43.01	13,25,504	4,83,371	18,08,875	43.00	(0.01)
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	37,17,429	4,89,371	42,06,800	100	37,23,429	4,83,371	42,06,800	100	0.00

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M. Ramesh Reddy	5,99,850	14.26	—	5,99,850	14.26	—	NIL
2	K.V.Sarma	4,34,043	10.32	—	4,34,543	10.33	0.01	NIL
3	R.Surendra Reddy	3,52,543	8.38	—	3,52,543	8.38	—	NIL
4	P.Varun Kumar	3,47,655	8.26	—	3,47,655	8.26	—	NIL
5	P. Deepika	1,38,950	3.30	—	1,39,650	3.32	0.02	NIL
6	R.Sujatha Reddy	1,15,000	2.73	—	1,15,000	2.73	—	NIL
7	Srivara Mereddy	75,188	1.79	—	75,188	1.79	—	NIL

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
8	Kanmanth Reddy Sekhar Reddy	59,210	1.41	—	59,210	1.41	—	NIL
9	K. Prameela	41,700	0.99	—	41,700	0.99	—	NIL
10	Kanmanth Reddy Srinath Reddy	25,000	0.59	—	25,000	0.59	—	NIL
11	K. Sreedhar Reddy	21,500	0.51	—	21,500	0.51	—	NIL
12	K. Surya Prabha	8,500	0.20	—	8,500	0.20	—	NIL
13	Ganti Kameshwari	3,100	0.07	—	3,100	0.07	—	NIL
14	T. Vijay Kumar	700	0.02	—	0	0.00	(0.02)	NIL
15	T. Ananth Reddy	10	—	—	10	—	—	NIL
16	Ramsri Investments Ltd	1,74,476	4.15	—	1,74,476	4.15	—	NIL
	Total	23,97,425	56.99	—	23,97,925	57.00	0.01	—

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. K. V. Sarma				
	At the beginning of the year	4,34,043	10.32	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		Purchased 500 shares on 20.02.17		
	At the end of the year	—	—	4,34,543	10.33
2.	Ms. Pasham Deepika				
	At the beginning of the year	1,38,950	3.30	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		Purchased 700 shares on 13.12.16		
	At the end of the year	—	—	1,39,650	3.32
3.	Mr. T. Vijay Kumar				
	At the beginning of the year	700	0.02	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		Sold 700 shares on 13.12.16		
	At the end of the year	—	—	0	0.00

**iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	THE HERCULES TIRE AND RUBBER COMPANY				
	At the beginning of the year	415,000	9.87	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE			
	At the end of the year (or on the date of separation, if separated during the year)	—	—	415,000	9.87
2.	Litty Thomas				
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Purchase/ (Sale) 26,756 21,040 1,812 392	Date 15.07.2016 22.07.2016 29.07.2016 05.08.2016		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	50,000	1.19
3.	Sangita Nihir Thakkar				
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Purchase/ (Sale) 22,500 3,983 1,517 3,000 833	Date 19.08.2016 26.08.2016 02.09.2016 11.11.2016 02.12.2016		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	31,833	0.76
4.	Vijaya Gowri Peri				
	At the beginning of the year	31,280	0.74	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year (or on the date of separation, if separated during the year)	—	—	31,280	0.74
5.	Dayaram P Solanki				
	At the beginning of the year	30,600	0.73	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE			
	At the end of the year (or on the date of separation, if separated during the year)	—	—	30,600	0.73

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
6.	Dheeraj Kumar Lohia				
	At the beginning of the year	28,328	0.67	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Purchase/ (Sale) 535	Date 29.04.2016		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	28,863	0.69
7.	Sumita Chugh				
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Purchase/ (Sale) 19,177 5,530	Date 08.07.2016 31.03.2017		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	24,707	0.59
8.	Ramnivas Pandit				
	At the beginning of the year	17,600	0.42	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year (or on the date of separation, if separated during the year)	—	—	17,600	0.42
9.	Saifuddin Fakhruddin Miyajiwala				
	At the beginning of the year	10,185	0.24	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Purchase/ (Sale) 2,112 892 2,105	Date 10.03.2017 17.03.2017 24.03.2017		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	15,294	0.36
10.	N B Pradeep Kumar				
	At the beginning of the year	10,086	0.24	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Purchase/ (Sale) 2,450 500 1,964	Date 20.05.2016 27.05.2016 10.06.2016		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	15,000	0.36

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Mereddy Ramesh Reddy:				
	At the beginning of the year	599,850	14.26	599,850	14.26
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE			
	At the end of the year	599,850	14.26	599,850	14.26
2.	Mr. R. Surendra Reddy				
	At the beginning of the year	342,543	8.14	352,543	8.38
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE			
	At the end of the year	352,543	8.38	352,543	8.38
3.	Mr. P Varun Kumar				
	At the beginning of the year	347,655	8.26	347,655	8.26
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE			
	At the end of the year	347,655	8.26	347,655	8.26
4.	Mr. K. V. Sarma				
	At the beginning of the year	4,34,043	10.32	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):		Purchased 500 shares on 20.02.17		
	At the end of the year	—	—	4,34,543	10.33
5.	Mr. A. Venkat Reddy				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	NIL	NIL	NIL	NIL
6.	Mr. N. Sandeep Kumar Reddy				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	NIL	NIL	NIL	NIL

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
7.	Mr. Vamsheedhar Reddy Arrabothu				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	NIL	NIL	NIL	NIL
8.	Ms. Akhila Sundari Pushpa				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	NIL	NIL	NIL	NIL
9.	Ms. Titiksha Jain				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,39,59,151	3,54,62,249	—	19,94,21,400
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	16,39,59,151	3,54,62,249	—	19,94,21,400
Change in Indebtedness during the financial year				
* Addition	1,78,59,724	—	—	1,78,59,724
* Reduction	—	41,58,850	—	(41,58,850)
Net Change		(41,58,850)	—	1,37,00,874
Indebtedness at the end of the financial year				
i) Principal Amount	18,18,18,875	3,13,03,399	—	21,31,22,274
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	18,18,18,875	3,13,03,399	—	21,31,22,274

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		M. Ramesh Reddy	R. Surendra Reddy	P. Varun Kumar	K. V. Sarma	
		Whole-Time Director	Managing Director	Whole-Time Director	Whole-Time Director	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46,50,000	46,50,000	46,50,000	46,50,000	1,86,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission- as % of profit-others, specify	NIL	NIL	NIL	NIL	NIL
5	Others, please specify					
	Total (A)	46,50,000	46,50,000	46,50,000	46,50,000	1,86,00,000
	Ceiling as per the Act	54,00,000	54,00,000	54,00,000	54,00,000	

B. Remuneration to other Director

S. No.	Particulars of Remuneration	Name of Director					Total Amount
		A. Venkat Reddy	N. Sandeep Kumar Reddy	A.Vamsheehar Reddy	S.Rama-chandra Prasad	A. Sundari Pushpa	
1	Independent Directors						
	Fee for attending board committee meetings	20,000	20,000	10,000	15,000	65,000	
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (1)	20,000	20,000	10,000	15,000	65,000	
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (2)	-	-	-	-	-	
	Total (B)=(1+2)	20,000	20,000	10,000	15,000	65,000	
	Total Managerial Remuneration	12,500	15,000	7,500	7,500	42,500	
	Overall Ceiling as per the Act	Rs. 1,00,000 per meeting	Rs. 1,00,000 per meeting	Rs. 1,00,000 per meeting	Rs. 1,00,000 per meeting		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

	Particulars of Remuneration	Key Managerial Personnel		
		Titiksha Jain	M. Ramesh Reddy	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,02,400	NIL	3,02,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	- as % of profit	—	—	—
	others, specify	—	—	—
5	Others, please specify	—	—	—
	Total	3,02,400	—	3,02,400

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NOT APPLICABLE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NOT APPLICABLE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NOT APPLICABLE		

By order of the Board
for Vamshi Rubber Limited

Sd/-
R.Surendra Reddy
Managing Director
DIN: 000294240

Sd/-
M.Ramesh Reddy
Chairman
DIN: 00025101

Date: 28/08/2017
Place: Hyderabad

MANAGEMENT DISCUSSION & ANALYSIS REPORT**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 realised. 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

The National Infrastructure Industry is expected to kick start and accelerate, leading to more transportation of materials. This in turn should help in the demand for cost effective retreading products. We are confident that we would be able to increase our market share in the retread industry.

3. OPPORTUNITIES & THREATS:

The Company's products are well accepted by our customers for providing superior quality products and customer service. Our marketing network is spread throughout the country with depot-cum-offices in Southern, Western, Central, Eastern and Northern parts of India. However, some companies without excess duty are posing unhealthy cost competition. With GST shortly going to be implemented, we hope to overcome this issue.

4. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The Company's 88.75% 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. 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 authorised, 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 2016-17 are as under:

Sales for the year 2016-2017	59,50,66,047
Provision for taxation	34,21,064
Profit after tax	70,04,148
Paid up equity share capital as on 31 st March, 2017	4,20,68,000

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2016-17 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.

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, 2017 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 volatile 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
MD & CEO
DIN: 000294240

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

Date: 28/08/2017
Place: Hyderabad

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s. VAMSHI RUBBER LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. VAMSHI RUBBER LIMITED**, ("the Company"), which comprise the Balance sheet as at 31st March, 2017, the Statement of Profit and Loss for the year then ended, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;

- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
(c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the "Annexure B" ; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial positions in its financial statements.
 - (ii) The Company has not entered into any long-term contracts including derivatives contracts requiring provision under applicable laws or accounting standards, for material foreseeable losses and
 - (iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 2013.
 - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No.26 to the financial statements.

For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 003246S

Place: HYDERABAD
Date: 29.05.2017

Sd/-
(C.A. RAJASEKHAR REDDY A)
PARTNER
Membership No.227799

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 fixed 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. 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 are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The company has not any granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the sub-clauses (a) (b) and (c) are not applicable to the company.
- (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 provided any loans, investments, guarantees, and security during the year as referred to in sections 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are 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. During the year under report, the Company has maintained cost records as prescribed by the Central Government. We have broadly reviewed the accounts and records of the Company. However, we have not made a detailed examination of the same.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise 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, service tax, sales tax, customs duty, excise duty and cess were in arrears, wherever applicable, as at 31st March, 2017 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 sales tax, income tax, customs duty, service tax, excise duty and cess which have not been

deposited on account of any dispute.

- (viii) The company has not defaulted in repayment of loans or borrowings to financial institutions or banks.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 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 section 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) According to the information and explanations given to us and based on 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.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 003246S

Sd/-
(C.A. RAJASEKHAR REDDY A)
PARTNER
Membership No.227799

Place: HYDERABAD
Date : 29.05.2017

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 **M/s. VAMSHI RUBBER LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 003246S

Sd/-
(C.A. RAJASEKHAR REDDY A)
PARTNER
Membership No.227799

Place: HYDERABAD
Date : 29.05.2017

VAMSHI RUBBER LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	AS ON 31/03/2017 Rs.	AS ON 31/03/2016 Rs.
I. Equity and Liabilities			
(1) Shareholders' Funds			
(A) Share Capital	2	42068000	42068000
(B) Reserves & Surplus	3	115651038	108646890
(2) Non-Current Liabilities			
(A) Long-Term Borrowings	4	50052617	56462249
(B) Deferred Tax Liability (Net)		11334837	10793764
(C) Other Long-Term Provisions	5	9448448	8188673
(3) Current Liabilities			
(A) Short-Term Borrowings	6	163069657	142959151
(B) Trade Payables	7	57095716	26213647
(C) Other Current Liabilities	8	43428369	41978950
(D) Short-Term Provisions	9	3922218	12652399
Total		496070900 =====	449963724 =====
II. Assets			
(1) Non-Current Assets			
(A) Fixed Assets			
(I) Tangible Assets	10A	153564429	152428453
(II) Intangible Assets	10B	2071085	2615142
(III) Capital Work In Progress	11	1945789	147871
(B) Non-Current Investments	12	16000000	16000000
(2) Current Assets			
(A) Inventories	13	159626715	112124722
(B) Trade Receivables	14	134929147	121795636
(C) Cash and Cash Equivalents	15	10593602	17986340
(D) Other Current Assets	16	17340132	26865560
Total		496070900 =====	449963724 =====

Notes forming part of the Financial Statements 1 - 38

Vide our report of even date:

For and on behalf of the Board

For RAMANA REDDY & ASSOCIATES
Chartered Accountants
Firm Regn. No.003246S

Sd/-
(M. RAMESH REDDY)
Chairman & CFO
DIN: 00025101

Sd/-
(R.SURENDRA REDDY)
Managing Director
DIN: 00294240

Sd/-
(CA. RAJASEKHAR REDDY.A)
Partner
Membership No. 227799

Sd/-
(TITIKSHA JAIN)
Company Secretary
Membership No. A39336

Place: Hyderabad
Date : 29th May 2017

VAMSHI RUBBER LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	Current Year	Previous Year
		Rs.	Rs.
I. Revenue from Operations	17	595066047	662067838
II. Other Income	18	2897729	2238839
III. Total Revenue (I + II)		597963776	664306677
IV. Expenses:			
Material consumed	19	379435316	389042428
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	20	-30408313	5763520
Employee benefit expenses	21	86129670	76297720
Finance costs	22	18996523	18617578
Other expenses	23	122005944	143468540
Depreciation and amortization expenses	10 & 11	11207692	10937881
Total Expenses		587366832	644127666
V. Profit before exceptional and extraordinary items and tax (III-IV)		10596944	20179011
VI. Exceptional Items	24	171732	0
VII. Profit before extraordinary items and tax (V - VI)		10425212	20179011
VIII. Extraordinary items		0	0
IX. Profit before tax (VII-VIII)		10425212	20179011
X Tax Expenses:			
(1) (A) Current Tax		2879991	6496509
(1) (B) Income Tax - Earlier Years		0	97704
(2) Deferred Tax		541073	489684
XI. Profit for the year from continuing operations (XI - X)		7004148	13095114
XII. Profit from discontinuing operations		0	0
XIII. Tax expense of discontinuing operations		0	0
XIV. Profit from discontinuing operations (XII-XIII)		0	0
XV. Profit for the year (XI + XIV)		7004148	13095114
XVI Earnings per equity share:			
(1) Basic		1.66	3.11
(2) Diluted		1.66	3.11
Notes forming part of the Financial Statements	1 - 38		

Vide our report of even date:

For and on behalf of the Board

For RAMANA REDDY & ASSOCIATES
Chartered Accountants
Firm Regn. No.003246S

Sd/-
(M. RAMESH REDDY)
Chairman & CFO
DIN: 00025101

Sd/-
(R.SURENDRA REDDY)
Managing Director
DIN: 00294240

Sd/-
(CA. RAJASEKHAR REDDY.A)
Partner
Membership No. 227799

Sd/-
(TITIKSHA JAIN)
Company Secretary
Membership No. A39336

Place: Hyderabad
Date : 29th May 2017

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017.

	Current Year Rs.	Previous Year Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax and Extra-Ordinary items	10425212	20179011
Adjustment for:		
Depreciation & Amortization Expenses	11207692	10937881
Bad Debts written off	114831	2653233
Loss / Profit on Sale of Fixed Assets	-171732	0
Interest	18996523	18617578
Operating Profit before working Capital Changes	40572526	52387702
Adjustment for:		
Increase/(Decrease) in Inventories	-47501993	8972029
Increase/(Decrease) in Trade Receivables	-13133511	-31478873
Increase/(Decrease) in Other Current Assets	9525428	860469
Increase/(Decrease) in Other Non-Current Assets	0	1748130
Increase/(Decrease) in Other Long Term Provisions	541073	1093360
Increase/(Decrease) in Short Term Borrowings	20110506	39969184
Increase/(Decrease) in Trade Payables	30882069	-2053114
Increase/(Decrease) in Other Current Liabilities	1449420	5676099
Increase/(Decrease) in Short Term Provisions	-8730181	983602
Increase/(Decrease) in Other Non-Current Liabilities	1259775	0
Direct Taxes Paid (Net)	-3192435	-6594213
Cash generated from operations	-8789849	19176673
Net cash flow from operating activities	31782677	71564375
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets	-13674261	-26949940
Purchase of Intangible Assets	-230000	0
Sale of Fixed Assets	135000	0
Net cash used in Investing Activities	-13769261	-26949940
C) CASH FLOW FROM FINANCIAL ACTIVITIES:		
Proceeds from Long-Term Borrowings	-6409632	-9091097
Interest Paid	-18996522	-18617578
Dividend & Tax on Distributed Profits	0	-5063206
Net Cash flow in Financial Activities	-25406154	-32771881
Net Increase/Decrease in Cash and Cash Equivalent	-7392738	11842555
Opening Balance of Cash and Cash Equivalent	17986340	6143785
Closing Balance of Cash and Cash Equivalent	10593602	17986340

Vide our report of even date:

For and on behalf of the Board

For RAMANA REDDY & ASSOCIATES
Chartered Accountants
Firm Regn. No.003246S

Sd/-
(M. RAMESH REDDY)
Chairman & CFO
DIN: 00025101

Sd/-
(R.SURENDRA REDDY)
Managing Director
DIN: 00294240

Sd/-
(CA. RAJASEKHAR REDDY.A)
Partner
Membership No. 227799

Sd/-
(TITIKSHA JAIN)
Company Secretary
Membership No. A39336

Place: Hyderabad
Date : 29th May 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Corporate Information:

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.

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Financial Statements:

- i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis, the applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 2013.
- ii) Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- iii) All income and expenditure items having material bearing on the financial statements are recognized on accrual basis.

b) Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known or materialized.

c) Fixed Assets:

Fixed Assets are stated at acquisition cost (net of Cenvat if any) including directly attributable cost bringing them to their respective working conditions for their intended use less accumulated depreciation. All costs, including financing / borrowing cost till commencement of commercial production attributable to the fixed assets have been capitalized.

d) Revenue Recognition:

All revenue income and expenditure are recognized on accrual concept of accounting.

Sale of Precured Tread Rubber

Revenue is recognized when significant risks and rewards of ownership of goods have passed to the buyer and is disclosed including Excise Duty and Sales tax and excluding returns, as applicable.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

e) Government Grants and Subsidies:

Grants and subsidies from the government are recognized where there is reasonable assurance that (i) the Company will comply with the conditions attached to them and (ii) the grant/subsidy will be received.

f) Depreciation:

Pursuant to the enactment of the Companies Act, 2013 ('the act'), the company has complied with Part C of the Schedule II of the Companies Act, 2013 except the useful lives of Plant & Machinery, Computers & Software and Non-Factory Building. The same were reviewed by the management to reflect periods over which these assets are expected to be used. The details of estimate useful lives of these assets are given below:

Particulars	Life in Years
Non Factory Building	58
Plant & Machinery	20
Computer & Computer Software	6

g) Inventories:

Inventories are valued at lower of cost or net realizable value. Cost is determined using FIFO method.

h) Foreign Currency Transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Forward contracts for hedging: The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the company and the company does not use the foreign exchange forward contracts for speculation purposes.

The premium arising at the inception of such a forward exchange contract is amortized as expense over the life of the contract.

i) Investments:

Investments made by the company are primarily of long term nature and are valued at cost. Provision will be made for decline, other than temporary, in the value of investments.

i) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost is charged to revenue.

k) Employee Benefits:

Gratuity: Liability towards gratuity is provided on the basis of actuarial valuation made by an independent actuary.

Provident Fund: Contributions paid to the prescribed authority are charged to statement of profit and loss account every year.

Leave Encashment: is at the discretion of the management and liability is provided on the basis of actual eligibility as per the company rules and charged to revenue.

Ex-gratia is at the discretion of the management and is charged to statement of profit and loss account

k) Earnings per Share:

The Company reports its Earnings per Share (EPS) in accordance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

l) Taxes on Income

- The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

- Deferred tax asset and liability is recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates / laws that have been enacted or substantively enacted by the Balance Sheet date.

m) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE NO. 2	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
SHARE CAPITAL		
Equity Share Capital		
Authorised Share Capital		
- 4,50,00,000 Equity Shares of Rs.10/- Each	45000000	45000000
	-----	-----
Issued, Subscribed & Fully Paid Share Capital		
- 42,06,800 Equity Shares of Rs.10/- Each Fully Paid Up	42068000	42068000
	-----	-----
Total	42068000	42068000
	=====	=====

Terms 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.

List of share holders holding more than 5%	No. of Shares	% of holding	No. of Shares	% of holding
Name of the share holder				
M. Ramesh Reddy	599850	14.26%	599850	14.26%
K.V.Sharma	434543	10.33%	434043	10.32%
R.Surendra Reddy	352543	8.38%	352543	8.38%
P.Varun Kumar	347655	8.26%	347655	8.26%
The Hercules Tire and Rubber Co., Usa	415000	9.86%	415000	9.86%

NOTE NO.3

RESERVES & SURPLUS

Capital reserves	1500000	1500000
Surplus in the statement of profit & loss		
- Opening Balance	107146890	99114982
Add: Surplus for the year	7004148	13095114
	-----	-----
	114151038	112210096
	=====	=====
Less: Proposed dividend	0	4206800
Less: Tax on distributed profits	0	856406
	-----	-----
	0	5063206
	=====	=====
	114151038	107146890
	-----	-----
Total	115651038	108646890
	=====	=====

NOTE NO.4

LONG TERM BORROWINGS

(A) Secured

- Term Loan from Vijaya Bank	0	21000000
- Term Loan from State Bank Of India	18395000	0
- Hire Purchase Loan from HDFC Bank	354218	0

(B) Unsecured

- Deferred sales tax liability	31303399	35462249
--------------------------------	----------	----------

Total	50052617	56462249
	=====	=====

Term Loan from State Bank of India, SME, Saifabad Branch, Hyderabad is secured by way of first charge on Land at Plot No.41, Jayabheri Enclave, Phase 2, Gachibowli of the company and personally guaranteed by the directors of the company. The repayment will be in 72 monthly installments starting from December 2016

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
NOTE NO.5		
OTHER LONG TERM PROVISIONS		
Provision for employee benefits		
- Gratuity (Unfunded)	9448448	8188673
	-----	-----
Total	9448448	8188673
	=====	=====
NOTE NO.6		
SHORT TERM BORROWINGS		
- Working capital loan from banks		
State Bank of India - Cash Credit	163069657	142959151
(Secured by inventory and book debts movable and Immovable properties)		
	-----	-----
Total	163069657	142959151
	=====	=====
NOTE NO.7		
TRADE PAYABLES		
- Dues to micro, medium and small enterprises (Refer No. 35)	0	0
- Other Trade Payables	57095716	26213647
	-----	-----
Total	57095716	26213647
	=====	=====
NOTE NO.8		
OTHER CURRENT LIABILITIES		
- Current maturities of long-term debt	8270063	9091097
- Unpaid dividends	3908440	3269384
- Advance from customers	6770135	6977239
- Deposits	97000	75000
- Creditors for expenses	15959659	15951142
- E D on closing stock	6331797	3537947
- Gratuity short term liability	483134	420214
- Sales tax payable	1608141	2656927
	-----	-----
Total	43428369	41978950
	=====	=====
NOTE NO.9		
SHORT TERM PROVISIONS		
(A) Provision for employee benefits		
- Provision for bonus	1042227	1092684
(B) Others (specify nature)		
- Provision for income tax (Net of advance tax payments)	2879991	6496509
- Provision for dividend	0	4206800
- Provision for tax on distributed profits	0	856406
	-----	-----
Total	3922218	12652399
	=====	=====



NOTE NO. 10 A - TANGIBLE ASSETS

(Amount in Rs.)

Particulars	GROSS CARRYING AMOUNT			DEPRECIATION BLOCK			NET CARRYING AMOUNT		
	As on 01-04-2016	Additions during the year	Deletions during the year	Total As on 31/03/2017	As on 01/04/2016	For the year	Deletions during the year	As on 31/03/2017	As on 31/03/2016
Land & Site Development Buildings	23705865	-	-	23705865	-	-	-	23705865	23705865
Factory Buildings	18764201	-	-	18764201	11118990	630605	-	7014606	7645211
Non Factory Buildings	15105911	-	-	15105911	2373992	263295	-	12468624	12731919
Corporate Office - Gachibowli	24477009	-	-	24477009	345900	421997	-	23709112	24131109
Plant & Equipment	147867263	9555710	-	157422973	76766227	6120274	-	74536471	71101035
Electrical Installations	11269040	-	-	11269040	8334300	651389	-	2283351	2934740
Lab Equipment	2744595	167656	-	2912251	2083093	200322	-	628836	661502
Furniture & Fixtures	7221633	986449	-	8208082	3534630	534601	-	4138851	3687003
Vehicles	7204610	893276	563971	7533915	4723956	686080	257239	2381118	2480654
Office Equipment	6152885	192875	-	6345760	3016046	875285	-	2454428	3136839
Computers	4387744	80377	-	4468121	4175167	49787	-	243166	212577
TOTAL 10 A	268900755	11876343	563971	280213127	116472301	10433636	257239	126648698	153564429

NOTE NO. 10 B - INTANGIBLE ASSETS

Particulars	GROSS CARRYING AMOUNT			DEPRECIATION BLOCK			NET CARRYING AMOUNT		
	As on 01-04-2016	Additions during the year	Deductions during the year	Total As on 31/03/2017	As on 01/04/2016	For the year	Deletions during the year	As on 31/03/2017	As on 31/03/2016
Computer Software	3827262	230000	-	4057262	1212120	774056	-	1986176	2615142
TOTAL 10B	3827262	230000	-	4057262	1212120	774056	-	1986176	2615142

NOTE NO.11

Capital Work-in-progress	147871	11491455	9693537	1945789	-	-	-	1945789	147871
Total 11	147871	11491455	9693537	1945789	-	-	-	1945789	147871

	As at 31.03.2017	As at 31.03.2016
NOTE NO.12		
NON CURRENT INVESTMENTS		
- Shares in Fortune Tire Tech Ltd - 12,00,000 @ 10/- each (12,00,000 Equity Shares @ 10/- each)	12000000	12000000
- Shares in Sneha Renewable Energies Limited - 4,00,000 @ 10/- each (4,00,000 Equity Shares @ Rs.10/- each)	4000000	4000000
Total	16000000 =====	16000000 =====
NOTE NO.13		
INVENTORIES		
(Valued at cost or net realisable value whichever is lower)		
- Raw materials and components	26625676	13565846
- Work-in-progress	19069464	17278050
- Finished goods	106495588	75742558
- Stock-in-trade	1848826	1191107
- Stores and spares	5587162	4347161
Total	159626715 =====	112124722 =====
NOTE NO.14		
TRADE RECEIVABLES		
(Unsecured, considered good)		
- Debts outstanding for a period exceeding 6 months	13433021	8272345
- Other debts	121496126	113523291
Total	134929147 =====	121795636 =====
NOTE NO.15		
CASH AND CASH EQUIVALENTS		
- Balances with banks	2106276	13081895
- Bank deposits		
Maturity less than a year	4494500	1468281
Maturity more than a year	0	0
- Cash on hand	84387	166780
- Earmarked Balances with Banks		
Unpaid Dividend Accounts (2009-10 Rs.3,42,920/-, 2010-11 Rs.3,32,369/- 2011-12 Rs.3,87,690/-, 2012-13 Rs.3,87,953/- 2013-14 Rs.7,79,798/-, 2014-15 Rs. 8,38,416/- 2015-16 Rs.8,39,294/-)	3908440	3269384
Total	10593602 =====	17986340 =====
NOTE NO.16		
OTHER CURRENT ASSETS		
- Prepaid expenses	2377462	1751529
- Advance for materials and capital assets	1823666	10149472
- Advances recoverable	343861	244439
- Deposits with Govt. depts.	5849930	5619540
- Deposits (others)	1709378	699378
- TDS receivable	79029	55681
- Income tax refundable A/c	1235596	1235596
- Advance Tax	3130000	6071484
- Cenvat receivable	450447	631311
- Interest receivable	340762	407131
Total	17340132 =====	26865560 =====

	Current Year Rs.	Previous Year Rs.
NOTE NO.17		
REVENUE FROM OPERATIONS		
- Sale of products	662999746	734908163
Less: Excise Duty	67933699	72840325
Total	595066047	662067838
NOTE NO.18		
OTHER INCOME		
- Interest income	492731	398386
- Net Gain/Loss on Foreign Currency	0	226451
- Other non-operating income (Net of expenses directly attributable to such income)	2404998	1614003
Total	2897729	2238839
NOTE NO.19		
	Rs.	Rs.
MATERIALS CONSUMED		
- Opening stocks	13583806	15797034
Add: Purchases	384115237	377788753
	397699042	393585787
Less: Closing Stock	26625676	13565846
	371073367	380019941
- Cess on rubber	1651600	1726595
- Freight Inward	6710349	7295891
Total	379435316	389042428
NOTE NO.20		
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-In-Trade		
- Closing Stocks:		
- Work-In-Progress	19069464	17278050
- Finished Goods	100163791	72204611
- Trading Items	1848826	1191107
	121082081	90673768
Less: Opening Stocks		
- Work-In-Progress	17278050	14844113
- Finished Goods	72204611	80548392
- Trading Items	1191107	1044783
	90673768	96437288
Total	30408313	-5763520
NOTE NO.21		
EMPLOYEE BENEFITS EXPENSES		
- Salaries and incentives	68459842	62286693
- Contributions to Provident Fund & ESI	3357285	3289728
- Gratuity	1829945	1680515
- Bonus	999968	1094184
- Contract Labour charges	10284737	6607378
- Staff Welfare expenses	1197893	1339222
Total	86129670	76297720

	Current Year Rs.	Previous Year Rs
NOTE NO.22		
FINANCE COSTS		
- Interest on Working Capital	15914952	15531939
- Interest on Term Loan	2902687	3072858
- Other borrowing costs	178884	12781
Total	18996523	18617578
NOTE NO.23		
OTHER EXPENSES		
A) Other Manufacturing Expenses		
Insurance	247146	266596
Stores consumed	5543503	7234319
Job Work charges	0	2449028
Increase / (decrease) in excise duty provision on closing stock-	2793850	1535864
Packing material consumed	4053072	4886236
Power & Fuel	34431299	35285081
Repairs & Maintenance		
- Buildings	217061	865122
- Plant & machinery	28200	51248
- Others	36241	12450
B) Administrative and Selling expenses		
Rent, Rates & Taxes	3018054	4808015
Computer Maintenance	136087	190499
Travelling & Conveyance	4503736	5687212
Postage & Telegrams	344612	413697
Insurance	369758	469487
Professional & Legal Expenses	1246490	852494
Marketing & Service Charges	2859769	3631941
Sales Tax (Vat & Cst)	32446048	37456824
Discount & Rebate	16176209	15417387
Freight Outward	8912793	10549904
Loading & Un-Loading Charges	1863014	1879162
Bank Charges	1886810	964188
Sitting Fees to Directors	65000	42500
Auditors Remuneration	125000	125000
Telephone and Telex Charges	432049	487234
Vehicle Maintenance	1727419	1530483
Books and Periodicals	5599	12652
Security Charges	1432919	1302111
Printing and Stationery	183673	217015
Office Maintenance	749257	682423
Electricity Charges	580688	663950
General Expenses	468445	480342
Registration, Licence & Filing Fee	238158	237286
Membership Fee	24250	27248
Net Gain/Loss on Foreign Currency	211110	0
Bad Debts written off	114831	2653233
Penalty A/C	24963	4529
AGM Expenses	96531	88079
Donations	0	3000
Prior Period Expenses	0	4700
Total	122005944	143468540
NOTE NO.24		
EXCEPTIONAL ITEMS		
- Loss on Sale of Vehicles	171732	0
Total	171732	0

NOTE NO. 25

Contingent Liabilities not provided for:	2016-17 Rs. In Lakhs	2015-16 Rs. In Lakhs
Contingent Liabilities not provide for In respect of Bank Guarantees	5.16	92.95
In respect of Corporate Guarantee to M/s. Fortune Tire Tech Limited	700.00	812.46

NOTE NO. 26
Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	179000	48643	227643
(+) Permitted receipts (Withdrawal from Bank)	NIL	642567	642567
(-) Permitted payments	NIL	510809	510809
(-) Amount deposited in Banks	179000	NIL	179000
Closing cash in hand as on 30.12.2016	NIL	180401	180401

NOTE NO. 27

Cash Credit facility taken from State Bank of India, Hyderabad is secured by hypothecation of Stock of Raw Materials, Work-in-Progress, Finished Goods, Stores & Spares, Book Debts, Movable (not being pledge) and Immovable Properties etc., also guaranteed by four Directors of the Company in their personal capacity

NOTE NO. 28
Estimated Contracts:

Particulars	2016-17 Rs.	2015-16 Rs.
Estimated contracts remaining to be Executed on Capital Account and not Provided for	Nil	Nil

NOTE NO. 29
Auditor's Remuneration:

Particulars	2016-17 Rs.	2015-16 Rs.
As Auditors	85000	85000
Tax Audit Fee	25000	25000
Income Tax & Other Services	15000	15000
TOTAL	125000	125000

NOTE NO. 30
Managerial Remuneration:

Particulars	2016-17 Rs.	2015-16 Rs.
Remuneration		
- Managing Director	4650000	4200000
- Whole Time Directors	13950000	12600000
Perquisites		
- Managing Director	—	—
- Whole Time Directors	—	—
- Company Secretary	302400	279700
TOTAL	18900000	17079700

NOTE NO. 31

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 31st March 2017.

NOTE NO. 32
Foreign Exchange Earnings and Outflow:

Particulars	Current Year Rs.	Previous Year Rs.
Expenditure in Foreign Currency:		
On Raw Material	16091425	10248094
On Machinery Consumables	NIL	NIL
On Capital Goods	NIL	2083217
Earning in Foreign Currency:	31679418	22397369

NOTE NO. 33
Transactions with the related parties pursuant to Accounting Standard 18:
List of Related Parties

Key managerial personnel	<ul style="list-style-type: none"> - Sri M.Ramesh Reddy (Chairman) - Sri R.Surendra Reddy (Managing Director) - Sri P.Varun Kumar (Personnel & Administration) - Sri K.V.Sarma (Director Operations) - Ms Titiksha Jain (Company Secretary)
Enterprise significantly influenced by KMP	<ul style="list-style-type: none"> Fortune Tire Tech Limited Ramsri Constructions Private Limited

Transaction with the Related Parties:
Rs.

Particulars	Enterprise significantly influenced by KMP		Key Management personnel	
	2016-17	2015-16	2016-17	2015-16
Sale of Goods	82479939	69948859	-	-
Purchases/Services	10200	19000	-	-
Remuneration paid (Directors)	-	-	18600000	16800000
Remuneration paid (Company Secretary)	-	-	302400	279700
Rental Income	220000	-	-	-

Balance as at 31st March
Rs.

Particulars	Enterprise significantly influenced by KMP		Key Management personnel	
	2016-17	2015-16	2016-17	2015-16
Sale of Goods	15125860	4981800	—	—
Remuneration (Directors)	—	—	1107920	1063509
Remuneration (Company Secretary)	—	—	25000	—
Investments	12000000	12000000	—	—
Rent Receivable	18000	—	—	—

NOTE NO. 34
Earnings per Share:

Particulars	2016-17 Rs.	2015-16 Rs.
Profit attributable to the Equity Share Holders	7004148	13095114
No. of Equity Shares	4206800	4206800
Nominal Value of Share	10	10
Earnings Per Share	1.66	3.11

NOTE NO. 35

Micro Small and Medium enterprises under the micro Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

		In Rupees	
		2016-17	2015-16
A	Principal amount remaining unpaid as on 31st March	-	-
B	Interest due thereon as on 31st March	-	-
C	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
D	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
E	Interest accrued and remaining unpaid as at 31st March	-	-
F	Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

NOTE NO. 36

In compliance with the Accounting Standard “AS-22 Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the company has provided Rs.5,41,073/- towards deferred tax liability for the year 2016-17. The major component of deferred tax asset / liability is on account of timing difference in depreciation.

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 Accounting Standard – 25 “Interim Financial Reporting” have been followed in the presentation of these results.

NOTE NO. 38

Previous year figures have been regrouped wherever if thought necessary in conformity with the current year groupings. Paise 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 “38”

Vide our report of even date:

For and on behalf of the Board

For RAMANA REDDY & ASSOCIATES
Chartered Accountants
Firm Regn. No.003246S

Sd/-
(M. RAMESH REDDY)
Chairman & CFO
DIN: 00025101

Sd/-
(R.SURENDRA REDDY)
Managing Director
DIN: 00294240

Sd/-
(CA. RAJASEKHAR REDDY.A)
Partner
Membership No. 227799

Sd/-
(TITIKSHA JAIN)
Company Secretary
Membership No. A39336

Place: Hyderabad
Date : 29th May 2017

**Form No. MGT-11
Proxy form**

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

Name of the Member(s) _____	
Registered Address _____	
E-mail Id _____	Folio No /Client ID _____ DP ID _____
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint	
Name : _____	E-mail Id: _____
Address: _____	
Signature, or failing him _____	

Name : _____	E-mail Id: _____
Address: _____	
Signature, or failing him _____	

Name : _____	E-mail Id: _____
Address: _____	
Signature, or failing him _____	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on the Saturday, 23rd Sept'17 at 10.30 A.M. at J.S. Krishna Murthy Auditorium, FTAPCCI, Red Hills, Hyderabad, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 st March 2017 along with Notes, the Reports of the Board of Directors and the Auditors thereon		
2.	To appoint a Director in place of Mr. Varun Kumar Pasham (holding DIN 00293972), who retires by rotation and, being eligible, offers himself for re-appointment		
3.	Appointment of Statutory Auditors of the Company and fix their remuneration		
4.	Re-appointment of Mr. R. Surendra Reddy (holding DIN: 00294240) as Managing Director of the Company		
5.	Re-appointment of Mr. Varun Kumar Pasham (holding DIN: 00293972) as Whole-Time Director of the Company		
6.	Re-appointment of Mr. Venkateswara Sarma Kuchibhotla (holding DIN: 00293746) as Whole-Time Director of the Company		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2017

Affix Revenue Stamps

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder
across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

23rd Annual General Meeting on 23rd September, 2017

Full name of the members attending _____
(In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 22nd Annual General Meeting of the Vamshi Rubber Limited held at J.S. Krishna Murthy Hall, FTAPCCI, Red Hills, Hyderabad, Telangana on Thursday, the 23rd Sept' 17 at 10.30 A.M.

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- 6) **No Gifts, Gift Coupons, Cash in lieu of Gifts will be given at the AGM.**

FAPCCI Route Map

