

Board of Directors

Mr. Mereddy Ramesh Reddy	Chairman, Whole-Time Director & Chief Financial Officer
Mr. Surendra Reddy Rachervu	Managing Director & Chief Executive Office
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

Key Managerial Personnel

Mr. Mereddy Ramesh Reddy	Chairman, Whole-Time Director & CFO
Mr. Surendra Reddy Rachervu	Managing Director & CEO
Mr. Varun Kumar Pasham	Whole-Time Director
Mr. Venkateswara Sarma Kuchibhotla	Whole-Time Director
Ms. Rasika Jhavar	Company Secretary & Compliance Officer (w.e.f 01 st May, 2019)

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

Secretarial Auditor

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

Bankers

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

Factory

Survey No. 312/E, Lingojigudem Village,
Choutuppal Mandal,
Yadadri-Bhuvanagiri District - 508252,
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 Auditors

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

STATUTORY COMMITTEES

Audit Committee

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

Nomination and Remuneration Committee

Mr. Neerudu Sundeep 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

Internal 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

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 25th Annual General Meeting of the Company (“**Vamshi Rubber Limited**”) will be held on **Saturday, 28th day of September, 2019 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 2019 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. Ramesh Reddy Mereddy (holding DIN 00025101), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 3 – Re-appointment of Mr. Vamsheedhar Reddy Arrabothu as independent director of the Company

To consider and if thought fit to pass the following resolution a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as recommended by Nomination Remuneration Committee and Board of Directors, consent of the members be and is hereby accorded to re-appoint Mr. Vamsheedhar Reddy Arrabothu (holding DIN 01401508), as a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment as an Independent Director of the Company to hold office for a term of five (5) consecutive years commencing from 28.09.2019, whose office shall not be liable to retire by rotation.”

Item No. 4 – Re-appointment of Mr. Venkat Reddy Arolla as independent director of the Company

To consider and if thought fit to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as recommended by Nomination Remuneration Committee and Board

of Directors, consent of the members be and is hereby accorded to re-appoint Mr. Venkat Reddy Arolla (holding DIN 02505431), as a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment as an Independent Director of the Company to hold office for a term of five (5) consecutive years commencing from 28.09.2019, whose office shall not be liable to retire by rotation.”

Item No. 5 – Re-appointment of Mr. Neerudu Sundeep Kumar Reddy as independent director of the Company

To consider and if thought fit to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as recommended by Nomination Remuneration Committee and Board of Directors, consent of the members be and is hereby accorded to re-appoint Mr. Neerudu Sundeep Kumar Reddy (holding DIN 03610535), as a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment as an Independent Director of the Company to hold office for a term of five (5) consecutive years commencing from 28.09.2019, whose office shall not be liable to retire by rotation.”

Item No 6 – To Increase the Borrowing powers of the company under Section 180(1) (c) of the Companies Act, 2013 to the extent of Rs. 75 Crores

To consider and if thought fit to pass the following resolution a **Special Resolution**:

“**RESOLVED THAT** in supersession of all the earlier resolution passed and pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the provisions of Articles of Association of the Company and such other approval(s), permission(s) and sanction(s) as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof), to borrow for and on behalf of the Company, from time to time, any sum or sums of monies, from any one or more of the Company’s bankers and/or from any one or more other banks, persons, firms, companies/body corporate, financial institutions, institutional investor(s) and/or any other entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance, deposits, loans, or bill discounting, issue of debentures, commercial papers, long or short term loan(s), syndicated loans, either in rupees and/or such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured for the purpose of the Company’s business, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed, at

any time, the aggregate of the Paid-up Capital of the Company and its Free Reserves, that is to say, reserves which are not set apart for any specific purposes, provided that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed Rs. 75 Crores (Rupees Seventy Five Crores Only).”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No 7 – To authorize the board of directors to Create Charge on whole or part of the undertaking of the Company under Section 180 (1) (a) of the Companies Act, 2013 to the extent of Rs. 75 Crores

To consider and if thought fit to pass the following resolution a **Special Resolution**:

“**RESOLVED THAT** consent of shareholders of the company be and is hereby accorded, pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 75 Crores (Rupees Seventy Five Crores Only).

“**RESOLVED FURTHER THAT** in connection with the aforesaid, the Board/Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

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

Date: 14/08/2019
Place: Hyderabad

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

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

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, 2012 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, 2012 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
31/03/2012	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	30/10/2023

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, 2019 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 25th AGM and the Annual Report for the financial year ending on 31st March, 2019 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. **SEBI has made it mandatory for every participant in the Securities/Capital Market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN and Bank Account along with a copy of the PAN card and original cancelled cheque leaf /attested bank passbook showing name of account holder to M/s CIL Securities Limited.**
21. **SEBI made it mandatory for all the shareholders to hold the shares in Dematerialization form. Hence, all the shareholders holding shares in physical form are requested to convert their Physical shares in Demat form, so the liquidity of shares is not affected.**

22. (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 **25.09.2019**

End of remote e-voting : Up to 05.00 P.M on **27.09.2019**

- Remote e-voting shall not be allowed beyond 05.00 P.M on **27.09.2019**. 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 **20.09.2019**
- (b) The company has engaged the services of CDSL as the Authorized Agency to provide remote e-voting facilities.
- (c) The company has appointed Mr. N.V.S.S. Suryanarayana, Practicing Company Secretary (M. No: 5868), as 'scrutinizer' for conducting and scrutinizing the remote e-voting process in a fair and transparent manner.
- (d) 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 IDr
 - 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders):</p> <ul style="list-style-type: none"> 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	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p>
Dividend Bank Details	<ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) 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.

(xix) 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.

23. 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.

24. 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.

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

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

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

Date: 14/08/2019

Place: Hyderabad

Registered Office:

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

Sd/-

R. SURENDRA REDDY
Managing Director & CEO
DIN: 00294240

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

The following Statement, as required under Section 102 of the Companies Act, 2013, sets out all material facts relating to the items of Special Business mentioned in the accompanying Notice dated 14/08/2019:

ITEM NO. 3

Mr. Vamsheedhar Reddy Arrabothu, who was appointed as Non-Executive Independent Director of the Company for a period of five years by the members in the 20th Annual General Meeting of the Company held on 27th September, 2014 and whose term of office is expiring on 26th September, 2019. In terms of Section 149 and other applicable provisions of Companies Act, 2013, the Board of Directors of the Company has proposed for re-appointing Mr. Vamsheedhar Reddy Arrabothu, as Non-Executive Independent Director of the Company for a further period of five year who shall not be liable to retire by rotation at every AGM.

Mr. Vamsheedhar Reddy Arrabothu, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr. Vamsheedhar Reddy Arrabothu fulfills the conditions as specified in the Act and the Rules framed thereunder for re-appointing as Independent Director in the Company.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Vamsheedhar Reddy Arrabothu, as Independent Director is being placed before the Members for their approval.

Mr. Vamsheedhar Reddy Arrabothu, being eligible and offering himself for re-appointment as Independent Director and is proposed to be re-appointed as Independent Directors for five (5) consecutive years commencing from 28th September, 2019.

A brief profile of the Independent Directors to be appointed is given below.

Your Board recommends the resolution at set out in Item No. 3 for approval of the members as Special resolution. Except Mr. Vamsheedhar Reddy Arrabothu, none of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

ITEM NO. 4

Mr. Venkat Reddy Arolla, who was appointed as Non-Executive Independent Director of the Company for a period of five years by the members in the 20th Annual General Meeting of the Company held on 27th September, 2014 and whose term of office is expiring on 26th September, 2019. In terms of Section 149 and other applicable provisions of Companies Act, 2013, the Board of Directors of the Company has proposed for re-appointing Mr. Venkat Reddy Arolla, as Non-Executive Independent Director of the Company for a further period of five year who shall not be liable to retire by rotation at every AGM.

Mr. Venkat Reddy Arolla has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr. Venkat Reddy Arolla fulfills the conditions as specified in the Act and the Rules framed thereunder for re-appointing as Independent Director in the Company.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Venkat Reddy Arolla, as Independent Director is being placed before the Members for their approval.

Mr. Venkat Reddy Arolla, being eligible and offering himself for re-appointment as Independent Director and is proposed to be re-appointed as Independent Directors for five (5) consecutive years commencing from 28th September, 2019.

A brief profile of the Independent Directors to be appointed is given below.

Your Board recommends the resolution at set out in Item No. 4 for approval of the members as Special resolution. Except Mr. Venkat Reddy Arolla, none of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

ITEM NO. 5

Mr. Neerudu Sundeep Kumar Reddy, who was appointed as Non-Executive Independent Director of the Company for a period of five years by the members in the 20th Annual General Meeting of the Company held on 27th

September, 2014 and whose term of office is expiring on 26th September, 2019. In terms of Section 149 and other applicable provisions of Companies Act, 2013, the Board of Directors of the Company has proposed for re-appointing Mr. Neerudu Sundeep Kumar Reddy, as Non-Executive Independent Director of the Company for a further period of five year who shall not be liable to retire by rotation at every AGM.

Mr. Neerudu Sundeep Kumar Reddy has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr. Neerudu Sundeep Kumar Reddy fulfills the conditions as specified in the Act and the Rules framed thereunder for re-appointing as Independent Director in the Company.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Neerudu Sundeep Kumar Reddy, as Independent Director is being placed before the Members for their approval.

Mr. Neerudu Sundeep Kumar Reddy, being eligible and offering himself for re-appointment as Independent Director and is proposed to be re-appointed as Independent Directors for five (5) consecutive years commencing from 28th September, 2019.

A brief profile of the Independent Directors to be appointed is given below.

Your Board recommends the resolution at set out in Item No. 5 for approval of the members as Special resolution.

Except Mr. Neerudu Sundeep Kumar Reddy, none of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

ITEM NO. 6 & 7

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may needs additional funds. For this purpose, the Company may in future will be desirous for raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company.

Hence considering the future financial requirement, it is proposed to increase the maximum borrowing limits upto Rs. 75 Crores (Rupees Seventy Five Crores only). Pursuant to Section 180(1) (c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate and securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

Hence said resolution no. 6 & 7 is being placed before the members for their approval.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution

Date: 14/08/2019

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

Details of Directors seeking appointment / re-appointment in the 25th Annual General Meeting (Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Meredy Ramesh Reddy	Vamsheedhar Reddy Arrabothu	Venkat Reddy Arolla	Neerudu Sundeeep Kumar Reddy
Director Identification Number (DIN)	00025101	01401508	02505431	03610535
Date of Birth	04/07/1959	12/11/1969	15/08/1968	24/05/1983
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on Board	24/11/1993	29/03/2003	29/03/2003	30/07/2011
Relationship with other Directors	Nil	Nil	Nil	Nil
Qualification	B.Tech, M.S (USA)	M.Com	B.SC	B.Tech
Shareholding in Vamshi Rubber Limited (as on 31 st March, 2019)	5,99,850 shares 14.26%	-	-	-
Expertise in specific functional areas	Tyre Retreading Business	Tyre Retreading Business	Business	Business
List of Directorships held in other Companies (as on 31 st March, 2019)	1. Fortune Tire Tech Ltd 2. Vamshi Engineering Private Limited	Nil	Nil	Nil
Memberships / Chairmanship of the Committees of Directors of other Companies (as on 31 st March, 2019)	NIL	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 25th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2019.

1. Financial summary or highlights/Performance of the Company

The financial statements of the company are as follows:

(Amount in Lakhs)

Particulars	Current Year 31-03-2019	Previous Year 31-03-2018
Revenue from Operations	8353.65	7628.99
Other Income	37.58	45.21
Total Revenue	8391.23	7674.20
Expenses	8227.94	7702.66
Depreciation	120.67	117.23
Profit / (loss) Before exceptional and extraordinary items	42.63	(145.68)
Less: exceptional and extraordinary items	-	(2.30)
Profit/ (Loss) Before Taxation	42.63	(143.38)
Less: - Current Tax	6.33	(3.09)
- Income Tax (Earlier years)	-	-
- Deferred Tax	(5.95)	(47.74)
Profit / (loss) After Tax	42.25	(92.55)

During the year under review, the gross revenue of the Company Increased to Rs. 8353.65 Lakhs compared to Rs. 7628.99 Lakhs in the previous year. The expenses of the Company have also been increased to Rs. 8348.61 Lakhs compared to Rs. 7819.90 Lakhs in the previous year. However company earned a profit of Rs. 42.25 Lakhs for the Current year due to increase in sales.

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

During the year, the turnover increased but due to sudden increase of the raw materials, margins of sales to State Transport Undertakings (STU'S) has affected drastically and impacted the profitability of the Company.

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

The Recession in the Indian Economy which is affecting the transportation of the country and resulting in business growth of our Company. Our Company is putting best efforts in retaining the existing business volumes in the market. Company has also started exports to United States of America and European Countries.

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 31st March, 2019.

7. Reserves

There were no transfers to Reserves during the financial year 2018-19.

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 31st March, 2019 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. Mereddy Ramesh Reddy, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment in accordance with the Companies Act, 2013 read with Articles of Association of the Company.

Following directors as mentioned below were appointed as Non-Executive Independent Directors of the Company for a period of five years by the members in the 20th Annual General Meeting of the Company held on 27th September, 2014 and whose term of office is expiring on 26th September, 2019. In terms of Section 149 and other applicable provisions of Companies Act, 2013, the Board of Directors of the Company has proposed to re-appoint them as Non-Executive Independent Director of the Company for a further period of five year who shall not be liable to retire by rotation at every AGM.

1. Mr. Vamsheedhar Reddy Arrabothu
2. Mr. Venkat Reddy Arolla
3. Mr. Neerudu Sandeep Kumar Reddy

Appropriate resolution for the re-appointment of independent directors is being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Director 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 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019. 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	3
Mr. Varun Kumar Pasham	4
Mr. Venkateswara Sarma Kuchibhotla	4
Mr. Arolla Venkat Reddy	3
Mr. Neerudu Sandeep Kumar Reddy	4
Mr. Vamsheedhar Reddy Arrabothu	1
Ms. Akhila Pushpa Sundari	2

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

As per regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Independent Directors meeting was held on 30th May, 2018 which was attended by the Independent Directors for the evaluation of the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Board.

1. Mr. Vamsheedhar Reddy Arrabothu
2. Mr. Venkat Reddy Arolla
3. Mr. Neerudu Sundeeep Kumar Reddy

The Board of Directors at their meeting held on 14th August, 2019 has proposed to re-appoint following directors as mentioned above as Non-executive Independent Directors of company whose term is expiring on 26th September, 2019. Proposed directors have given declaration that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Appropriate resolution for the re-appointment is being placed in the ensuing Annual General Meeting for your approval.

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, 2013 and no amount of principal or interest was outstanding as on the date of Balance Sheet.

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

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

Particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto shall be disclosed in Form No. AOC-2 is appended as '**Annexure-I**' to the Board's report.

The policy on related party transactions as approved by the board of directors is hosted on the website of the company viz. www.vamshirubber.org

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 - II** 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 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

The members of Audit Committee are:

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

20. Constitution of Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Company is duly constituted as per Section 178 of the Companies Act, 2013. During the year two (2) Nomination & Remuneration Committee Meetings were convened and held on 30.05.2018, 14.08.2018

The members of Nomination & Remuneration Committee are:

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

21. Statutory Auditors

M/s CSVR Associates, Chartered Accountants, (Firm Registration No. 012121S), who has been appointed as statutory auditors of the company in the 23rd Annual General Meeting for a period of five years 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.

However, Pursuant to notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the rules framed thereunder, the mandatory requirement for ratification of appointment of auditors by the members at every Annual General Meeting (“AGM”) has been omitted, and hence the company is not proposing an item on ratification of appointment of Auditors at this AGM.

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.

22. Secretarial Audit Report

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

23. Replies to Secretarial Auditor’s Report

S.No	Qualification	Management response
1	Delay in filing form MGT-15 and IEPF-1 with Registrar of Companies	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 will take necessary steps to ensure there is no delay in filing forms.
2	In pursuance of Section 124(6) of the Companies Act, 2013, company is yet to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of Investor Education and Protection Fund for the financial year 2017-18.	Company has already transferred the amount of unpaid or unclaimed dividend to Investor Education and protection fund. Company is in the process of transferring the shares which are unclaimed or unpaid for seven consecutive years or more to Investor Education and protection fund.

24. 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.

25. 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 appointed Mr. Ramana Reddy & Associates, Chartered Accountant, as Internal Auditor of the Company for the F.Y. 2018-19. 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 30.05.2019, company re-appointed Mr. Ramana Reddy & Associates, Chartered Accountant, as Internal Auditor of the Company for the F.Y. 2019-20.

26. 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.

27. Secretarial Standards

The Company has complied with all applicable secretarial standards for the financial year 2018-19.

28. 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.

29. 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.

30. 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.

31. 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 – IV** to this report and also placed on the website of the company vamshirubber.org.

32. 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.

33. Details of Subsidiary, Joint Venture or Associate Companies

The Company does not have any Subsidiary, Joint Venture or an Associate Company as on 31.03.2019.

34. Corporate Governance Certificate

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

However, in pursuance of Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from Mr. N.V.S.S. Suryanarayana, Practicing Company Secretary, regarding its compliance is annexed as **Annexure-V** and forms part of this Report.

35. Management Discussion and Analysis Report

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

36. 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 2018-19:

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

37. 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	<p>1. Saved 36755 units of Electrical Energy and thereby saving Rs.3,10,580/- during the year 2018-19 when compared to the year 2017-18. This was achieved by effective planning and running of Mixing, Extruder and Buffing production and controlling the running of the utilities.</p> <p>2. Saved 18345 ltrs of LDO Fuel by controlling effective running of the Thermic fluid Heaters during the year 2018-19 when compared to the year 2017-18. Savings accrued Rs.9,05,693/-</p>
(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	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	No expenditure incurred on Research and Development.

(C) Foreign exchange earnings and Outgo

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. 6,03,96,423**

Foreign Exchange Outflows: **Rs. 82,69,328**

38. 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 2018-19.

39. Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the IEPF Rules”), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividend of Rs. 3,41,588 to IEPF Authority.

40. Directors’ Responsibility Statement

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

1. that in the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed and there have been no material departures from them;
2. that the accounting policies mentioned in notes to Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual financial statements have been prepared on a ‘going concern’ basis;
5. that proper internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and
6. that proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively

41. 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 2018-2019 to BSE where the Company’s Shares are listed.

42. 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.

43. 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.

44. 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.

45. 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 : 14/08/2019
Place : Hyderabad

Annexure -I

FORM NO. AOC – 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 184 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

S.No.	Particulars	Details	Details
a)	Name (s) of the related party & nature of relationship	Fortune Tyre Tech Limited	Fortune Tyre Tech Limited
b)	Nature of contracts /arrangements/transaction	Sales	Purchase
c)	Duration of the contracts /arrangements/transaction	—	—
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	—	—
e)	Date of approval by the Board	30.05.2018	30.05.2018
f)	Amount paid as advances, if any	—	—

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 : 14/08/2019
Place : Hyderabad

Annexure – II

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, 2019

(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	18.63:1
2.	Mr. R. Surendra Reddy	18.63:1
3.	Mr. P Varun Kumar	18.63:1
4.	Mr. K. V. Sarma	18.63:1
5.	Mr. A. Venkat Reddy	NA
6.	Mr. N. Sandeep Kumar Reddy	NA
7.	Mr. Vamsheedhar Reddy Arrabothu	NA
8.	Ms. Akhila Pushpa Sundari	NA

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

S.No.	Name of the KMP	Percentage increase in remuneration
1.	Mr. M. Ramesh Reddy	Nil
2.	Mr. R. Surendra Reddy	Nil
3.	Mr. P Varun Kumar	Nil
4.	Mr. K. V. Sarma	Nil
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. Sakshi	Nil

- (iii) The percentage increase in the median remuneration of employees in the financial year is 1.74%
- (iv) The number of permanent employees on the rolls of Company as on 31st March, 2019: 177 employees
- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
Average percentile increase in the salaries of the employees other than the managerial personnel in the financial year is 1.74% and there has been no increase in the managerial remuneration during the financial year.
- (vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

Part-B

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

By order of the Board
for Vamshi Rubber Limited

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

Sd/-
M.Ramesh Reddy
Chairman
DIN: 00025101

Date: 14/08/2019
Place: Hyderabad

Annexure - III

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2019
[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, 2019, 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, 2019 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 following:

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

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

- *There was a delay in filing Form MGT-15 and Form IEPF-1 with Registrar of Companies.*
- *In pursuance of Section 124(6) of the Companies Act, 2013, company is yet to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of Investor Education and Protection Fund for the financial year 2017-18.*

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 based on majority votes while the dissenting members' views are duly captured and recorded as part of the minutes.

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

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

Sd/-

N.V.S.S. Suryanarayana Rao
Company Secretary
C.P. No.: 2886

Hyderabad, 14th August, 2019

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

‘ANNEXURE A’

To,

Vamshi Rubber Limited

‘Vamshi House’, Plot No. 41,
Jayabheri Enclave, Gachibowli
Hyderabad, Telangana-500032

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

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

Sd/-

N.V.S.S. Suryanarayana Rao

Company Secretary

C.P. No.: 2886

Hyderabad, 14th August, 2019

Annexure-V

CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

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

We have examined the following documents:

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

As submitted by the Directors of Vamshi Rubber Limited ('the Company') bearing CIN: L25100TG1993PLC016634 and having its registered office at 'Vamshi House', Plot No. 41, Jayabheri Enclave, Gachibowli Hyderabad 500032, to the Board of Directors of the Company ('the Board') for the Financial Year 2019-20. We have considered non-disqualification to include non debarment by Regulatory / Statutory Authorities.

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

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

S.No.	Name of Director	Director Identification Number (DIN)
1.	Ramesh Reddy Mereddy	00025101
2.	Venkteswara Sarma Kuchibhotla	00293746
3.	Pasham Varun Kumar	00293972
4.	Surendra Reddy Rachervu	00294240
5.	Vamsheedhar Reddy Arrabothu	01401508
6.	Venkat Reddy Arolla	02505431
7.	Neerudu Sundeep Kumar Reddy	03610535
8.	Akhila Pushpa Sundari	07194694

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2019.

N.V.S.S. SURYANARAYANA RAO
Practicing Company Secretary
Membership Number: 5868
Certificate of Practice Number: 2886
Hyderabad, 14/08/2019

Annexure - IV

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31st, 2019**

[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 – 500 001 Telangana 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	90%

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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	22,23,449	—	22,23,449	52.85	22,23,999	—	22,23,999	52.86	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)	23,97,925	—	23,97,925	57.00	23,98,475	—	23,98,475	57.01	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)	23,97,925	—	23,97,925	57.00	23,98,475	—	23,98,475	57.01	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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	78,917	9,300	88,217	2.14	62,042	9,300	71,342	1.70	(0.46)
ii) Overseas	4,15,000	—	4,15,000	9.86	4,15,000	—	4,15,000	9.87	—
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	6,69,763	4,40,071	11,09,834	26.38	6,82,897	4,28,261	11,11,158	26.41	0.03
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	1,59,045	-	1,59,045	3.78	1,76,593	-	1,76,593	4.20	0.42
c) Others (NRIs)	4,443	30,600	35,043	0.83	3,848	30,200	34,048	0.81	(0.02)
d) Clearing Members	1,736	—	1,736	0.04	184	—	184	0.00	(0.04)
Sub-total (B)(2):-	13,28,904	4,79,971	18,08,875	43.00	13,40,564	4,67,761	18,08,325	42.99	(0.01)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13,28,904	4,79,971	18,08,875	43.00	13,40,564	4,67,761	18,08,325	42.99	(0.01)
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	37,26,829	4,79,971	42,06,800	100	37,39,039	4,67,761	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	4,34,543	10.33	—	4,34,543	10.33	—	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	1,39,650	3.32	—	1,40,200	3.33	—	0.01
6	R. Sujatha Reddy	1,15,000	2.73	—	1,15,000	2.73	—	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	
7	Srivara Mereddy	75,188	1.79	—	75,188	1.79	—	NIL
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	Thummalapally Ananth Reddy	10	—	—	10	—	—	NIL
15	Ramsri Investments Ltd	1,74,476	4.15	—	1,74,476	4.15	—	NIL
	Total	23,97,925	57.00	—	23,98,475	57.03	—	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	P. Deepika				
	At the beginning of the year	1,39,650	3.32	1,39,650	3.32
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Clubbing of 550 Share of Ms. P. Deepika from public shareholding to promoter shareholding			
	At the end of the year	1,40,200	3.33	1,40,200	3.33

**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	9.86	—	—
	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	9.86
2.	DILIP JAYANTILAL SHAH				
	At the beginning of the year	74,000	1.76	—	—
	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 500	Date of purchase 1/06/2018		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	74,500	1.77
3.	GUTHA AMITH KUMAR				
	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 500 660 2651 1300 11021 1801 290 1627 1402 305 528 383 52 286 25,522	Date 13-04-18 20-04-18 27-04-18 04-05-18 11-05-18 25-05-18 01-06-18 08-06-18 30-11-18 07-12-18 21-12-18 28-12-18 31-12-18 04-01-19 11-01-19		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	48,328	1.15
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.):	Sale 5317 25028	Date 30/11/2018 11/1/2019		
	At the end of the year (or on the date of separation, if separated during the year)	—	—	935	0.022

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																																																																																								
5.	DHEERAJ KUMAR LOHIA																																																																																												
	At the beginning of the year	29058	0.69	—	—																																																																																								
	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)	—	—	29058	0.69																																																																																								
6.	SUMITA CHUGH																																																																																												
	At the beginning of the year	24,707	0.59	—	—																																																																																								
	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)	—	—	24,707	0.59																																																																																								
7.	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.):	NO CHANGE																																																																																											
	At the end of the year (or on the date of separation, if separated during the year)	—	—	17,600	0.42																																																																																								
8.	TRANSWORLD SECURITIES LT																																																																																												
	At the beginning of the year	15,706	0.37	—	—																																																																																								
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	<table border="1"> <thead> <tr> <th>Purchase</th> <th>Date</th> <th>Sale</th> <th>Date</th> </tr> </thead> <tbody> <tr><td>234</td><td>27/04/2018</td><td>16576</td><td>27/04/2018</td></tr> <tr><td>400</td><td>27/04/2018</td><td>111</td><td>04/05/2018</td></tr> <tr><td>6</td><td>04/05/2018</td><td>1765</td><td>11/05/2018</td></tr> <tr><td>71</td><td>11/05/2018</td><td>110</td><td>18/05/2018</td></tr> <tr><td>140</td><td>18/05/2018</td><td>747</td><td>25/05/2018</td></tr> <tr><td>200</td><td>08/06/2018</td><td>400</td><td>01/06/2018</td></tr> <tr><td>2267</td><td>22/06/2018</td><td>9</td><td>29/06/2018</td></tr> <tr><td>327</td><td>19/06/2018</td><td>788</td><td>13/07/2018</td></tr> <tr><td>159</td><td>06/07/2018</td><td>482</td><td>13/07/2018</td></tr> <tr><td>786</td><td>20/07/2018</td><td>828</td><td>27/07/2018</td></tr> <tr><td>691</td><td>27/07/2018</td><td>663</td><td>17/08/2018</td></tr> <tr><td>681</td><td>03/08/2018</td><td>497</td><td>17/08/2018</td></tr> <tr><td>311</td><td>10/08/2018</td><td>46</td><td>21/09/2018</td></tr> <tr><td>19</td><td>24/08/2018</td><td>198</td><td>26/10/2018</td></tr> <tr><td>177</td><td>31/08/2018</td><td>100</td><td>09/11/2018</td></tr> <tr><td>531</td><td>7/09/2018</td><td>3</td><td>14/12/2018</td></tr> <tr><td>280</td><td>14/9/2018</td><td>300</td><td>28/12/2018</td></tr> <tr><td>195</td><td>26/10/2018</td><td>163</td><td>31/12/2018</td></tr> <tr><td>648</td><td>02/11/2018</td><td>400</td><td>04/01/2019</td></tr> <tr><td>755</td><td>11/11/2018</td><td>163</td><td>04/01/2019</td></tr> <tr><td>158</td><td>31/12/2018</td><td>138</td><td>29/03/2019</td></tr> </tbody> </table>	Purchase	Date	Sale	Date	234	27/04/2018	16576	27/04/2018	400	27/04/2018	111	04/05/2018	6	04/05/2018	1765	11/05/2018	71	11/05/2018	110	18/05/2018	140	18/05/2018	747	25/05/2018	200	08/06/2018	400	01/06/2018	2267	22/06/2018	9	29/06/2018	327	19/06/2018	788	13/07/2018	159	06/07/2018	482	13/07/2018	786	20/07/2018	828	27/07/2018	691	27/07/2018	663	17/08/2018	681	03/08/2018	497	17/08/2018	311	10/08/2018	46	21/09/2018	19	24/08/2018	198	26/10/2018	177	31/08/2018	100	09/11/2018	531	7/09/2018	3	14/12/2018	280	14/9/2018	300	28/12/2018	195	26/10/2018	163	31/12/2018	648	02/11/2018	400	04/01/2019	755	11/11/2018	163	04/01/2019	158	31/12/2018	138	29/03/2019			
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	At the end of the year (or on the date of separation, if separated during the year)	—	—	16976	0.40																																																																																								

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
9.	LITTY THOMAS				
	At the beginning of the year	15,111	0.36	—	—
	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)	—	—	15,111	0.36
10.	DIA PROPERTIES LLP				
	At the beginning of the year	15,000	0.36	—	—
	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)	—	—	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

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
4.	Mr. K. V. Sarma				
	At the beginning of the year	4,34,543	10.33	4,34,543	10.33
	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	4,34,543	10.33	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
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. Sakshi				
	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	Unsecured	Depo-	Total Indebted
Indebtedness at the beginning of the financial year				
i) Principal Amount	22,10,50,519	—	—	22,10,50,519
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	22,10,50,519	—	—	22,10,50,519
Change in Indebtedness during the financial year				
* Addition	—	—	—	—
* Reduction	32,88,417	—	—	32,88,417
Net Change	32,88,417	—	—	32,88,417
Indebtedness at the end of the financial year				
i) Principal Amount	21,77,62,101	—	—	21,77,62,101
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	21,77,62,101	—	—	21,77,62,101

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 p					
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	48,00,000	48,00,000	48,00,000	1,92,00,000
	(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)	48,00,000	48,00,000	48,00,000	48,00,000	1,92,00,000
	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	Vamsheedhar Reddy Arrabothu	Akhila Sundari Pushpa	
1	Independent Directors					
	Fee for attending board committee meetings	15,000	20,000	5,000	10,000	50,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	15,000	20,000	5,000	10,000	50,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	15,000	20,000	5,000	10,000	50,000
	Total Managerial Remuneration	15,000	20,000	5,000	10,000	50,000
	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

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Titiksha (Resigned w.e.f 01.03.2018)	Titiksha (Resigned w.e.f 01.03.2018)	M. Ramesh Reddy	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,15,160	NIL	2,15,160	
	(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	2,15,160	Nil	2,15,160	

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				
Punishment					
Compounding					

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: 14/08/2019
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.

Continuously growing in vehicles is another major factor which will increase the demand for replacement of tires and thus, will drive the demand for retread tires. Hence, growth in automobile, forestry and construction is expected to create healthy growth opportunities for the retread tires market. The global retread tires market is anticipated to represent incremental opportunity. 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.

Increasing in demand for retread tire in commercial vehicle sector is generating numerous opportunities for manufacturers and distributors in the retread tire market. On the other hand, fluctuations in raw material prices may act as a hampering factor and cause fluctuating market growth.

4. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

5. OUTLOOK:

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

6. RISKS AND CONCERNS:

As our products are used for replacement of new tyres, we do not foresee any major threat from any change in the technology innovation by transportation industry. The company is obtaining

adequate insurance coverage for the assets of the Plant and Field locations.

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 2018-19 are as under:

(Amount in Lakhs)

Sales for the year 2018-2019	8353.65
Provision for taxation	(0.38)
Profit after tax	42.25
Paid up equity share capital as on 31 st March, 2019	420.68

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2018-19 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, 2019 and that to the best of our knowledge and belief :
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

By order of the Board
for Vamshi Rubber Limited

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

Sd/-
M.Ramesh Reddy
Chairman
DIN: 00025101

Date: 14/08/2019
Place: Hyderabad

INDEPENDENT AUDITOR'S REPORT

To

The Members of

VAMSHI RUBBER LIMITED

Report on the IND AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **VAMSHI RUBBER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Management's Responsibility for the Separate Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid separate Ind AS financial statements comply with the Indian Accounting Standards prescribed 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**for CSVR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S**

**Sd/-
(CA.VENKATESH G.)
PARTNER
Membership No.239608**

**Place: Hyderabad
Date : 30.05.2019**

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 granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of paragraph 3 Clause (iii) of the Order are not applicable to this 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 given any loans, investments, guarantees and security during the year as per the provisions of sections 185 and 186 of the Companies Act, 2013.
- (v) 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, Goods and Services Tax (GST), custom duty, cess and other material statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods and Services Tax (GST), customs duty and cess were in arrears, wherever applicable, as at 31st March, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, Goods and Services Tax (GST), customs duty 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). The term loan borrowed has been utilized for the purpose for which it was raised.
- (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 sections 177 and 188 of the Companies Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) 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 CSV R & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S

Sd/-
(CA.VENKATESH G.)
PARTNER
Membership No.239608

Place: Hyderabad
Date : 30.05.2019

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **VAMSHI RUBBER LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 2019, 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 CSVR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S**

**Sd/-
(CA.VENKATESH G.)
PARTNER
Membership No.239608**

**Place: Hyderabad
Date : 30.05.2019**

Vamshi Rubber Limited
Balance Sheet as at March 31, 2019

(All amounts are in Indian Rupees, except otherwise stated)

Particulars	Notes	As At March 31 2019	As At March 31 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	152,563,730	154,041,125
Capital Work-in-Progress	3	-	673,410
Other Intangible Assets	4	844,409	1,552,959
Financial Assets			
(a) Investments	5	18,611,896	17,978,855
Total Non - Current Assets		172,020,035	174,246,348
Current Assets			
Inventories	8	138,172,856	163,869,203
Financial Assets			
(a) Trade Receivables	6	155,420,426	149,394,003
(b) Cash and Cash Equivalents	9	1,522,361	1,789,375
(c) Bank Balances other than (b) above	9	10,987,184	7,129,718
(d) Other Financial Assets	10	1,533,451	2,271,187
Current Tax Assets	7	2,445,864	1,971,792
Other Current Assets	11	14,977,863	17,783,748
Total Current Assets		325,060,004	344,209,025
Total Assets		497,080,038	518,455,374
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	42,068,000	42,068,000
Other Equity	13	110,274,816	106,673,414
Equity attributable to owners of the Company		152,342,816	148,741,414
Total Equity		152,342,816	148,741,414
Non-Current Liabilities			
Financial Liabilities			
(a) Borrowings	14	29,073,568	24,184,263
(b) Other Financial Liabilities	15	23,931,453	24,797,108
Employee Benefit Obligations	16	14,156,096	10,982,284
Deferred Tax Liabilities (Net)	7	5,436,169	6,472,860
Total Non-Current Liabilities		72,597,286	66,436,515

Particulars	Notes	As At March 31 2019	As At March 31 2018
Current Liabilities			
Financial Liabilities			
(a) Borrowings	17	188,688,533	196,866,256
(b) Trade Payables			
Outstanding dues - micro and small enterprises	18		-
Outstanding dues - other than micro and small enterprises	18	45,945,959	56,864,073
(c) Other Financial Liabilities	15	35,014,525	47,746,437
Employee Benefit Obligations	16	1,857,580	1,673,117
Current Tax Liabilities (Net)	7	633,339	-
Other Current Liabilities	19	-	127,562
Total Current Liabilities		272,139,936	303,277,445
Total Liabilities		344,737,222	369,713,959
Total Equity and Liabilities		497,080,038	518,455,374
Corporate information and significant accounting policies	1 & 2		

Vide our report of even date:
For CSV & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S

For and on behalf of the Board

Sd/-
(CA. VENKATESH G.)
PARTNER
Membership No. 239608

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

Sd/-
(R.SURENDRA REDDY)
MANAGING DIRECTOR
DIN: 00294240

Place : HYDERABAD
Date : 30.05.2019

Sd/-
(RASIKA JHAWAR)
COMPANY SECRETARY
Membership No.A58541

Vamshi Rubber Limited
Statement of Profit and Loss for the period ended March 31, 2019

(All amounts are in Indian Rupees, except otherwise stated)

Particulars	Notes	For the Year ended March 31, 2019	For the Year ended March 31, 2018
INCOME			
Revenue from Operations	20	835,365,134	762,899,457
Other Income (net)	21	3,758,138	4,521,531
Total income		839,123,272	767,420,988
EXPENSES			
Cost of Materials Consumed	22	585,116,050	552,321,715
Purchase of Stock in Trade		3,848,434	1,769,631
Changes in inventories of finished goods and work-in-progress	23	7,273,969	(1,881,256)
Excise Duty on Sale of Goods		-	10,877,664
Employee Benefits Expense	24	102,380,434	92,021,523
Finance Costs	25	23,835,877	19,608,548
Depreciation and amortisation Expense	26	12,066,892	11,723,068
Operating & Other expenses	27	100,338,677	95,548,371
Total Expenses		834,860,334	781,989,264
Profit / Loss before exceptional items and tax		4,262,938	(14,568,276)
Exceptional Item (net)		-	(230,368)
Profit/ Loss before tax		4,262,938	(14,337,908)
Tax expense			
Current tax	7	633,339	(308,987)
Deferred tax	7	(595,229)	(4,773,525)
Total Tax Expense		38,110	(5,082,512)
Profit/ Loss for the year		4,224,828	(9,255,395)
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Gain on Equity investments measured at fair value through OCI		633,041	444,901
(b) Remeasurements of the defined benefit plans		(1,697,929)	(474,828)
(c) Income tax relating to items that will not be reclassified to profit or loss		441,462	164,328

Particulars	Notes	For the Year ended	For the Year ended
		March 31, 2019	March 31, 2018
Total other comprehensive income		Ind AS (623,426)	Ind AS 134,401
Total comprehensive income for the year		<u>3,601,402</u>	<u>(9,120,994)</u>
Earnings per equity share (Equity shares, par value of ₹ 10 each) Basic and diluted (in Rs)		0.86	(2.17)
Corporate information and significant accounting policies		1 and 2	

Vide our report of even date:
For CSV & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S

For and on behalf of the Board

Sd/-
(CA. VENKATESH G.)
PARTNER
Membership No. 239608

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

Sd/-
(R.SURENDRA REDDY)
MANAGING DIRECTOR
DIN: 00294240

Place : HYDERABAD
Date : 30.05.2019

Sd/-
(RASIKA JHAWAR)
COMPANY SECRETARY
Membership No.A58541

Vamshi Rubber Limited

Statement of changes in equity for the year ended March 31, 2019

(All amounts are in Indian Rupees, except otherwise stated)

a. Equity

Particulars	Number of Shares	Amount
Balance at March 31, 2018	4,206,800	42,068,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	4,206,800	42,068,000

b. Other Equity

Particulars	Retained earnings	Amount
Balance at April 1, 2016	113,750,497	113,750,497
Profit for the year	7,518,000	7,518,000
Remeasurement of net defined benefit liability/asset, net of tax effect	(410,876)	(410,876)
Dividends (including corporate dividend tax)	(5,063,206)	(5,063,206)
Balance at March 31, 2017	115,794,415	115,794,415
Profit for the year	(8,810,000)	(8,810,000)
Remeasurement of net defined benefit liability/asset, net of tax effect (refer note)	(311,000)	(311,000)
Balance at March 31, 2018	10,667,415	10,667,415
Profit for the year	4,224,828	4,224,828
Remeasurement of net defined benefit liability/asset, net of tax effect (refer note)	(623,427)	(623,427)
Balance at March 31, 2019	110,274,816	110,274,816

Vide our report of even date:
For CSVR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S

For and on behalf of the Board

Sd/-
(CA. VENKATESH G.)
PARTNER
Membership No. 239608

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

Sd/-
(R.SURENDRA REDDY)
MANAGING DIRECTOR
DIN: 00294240

Place : HYDERABAD
Date : 30.05.2019

Sd/-
(RASIKA JHAWAR)
COMPANY SECRETARY
Membership No.A58541

Vamshi Rubber Limited
Cash flow statement for the year ended 31 March, 2019
 (All amounts are in Indian rupees, except otherwise stated)

Particulars	Year ended 31, March 2019 (Rs. / lakh)	Year ended 31, March 2018 (Rs. / lakh)
A. Cash flow from operating activities		
Profit before tax	4,262,938	(13,893,006)
Adjustments for:		
Depreciation and amortisation expense	12,066,892	11,723,068
Loss/(Gain) on disposal of property, plant and equipment (net)	-	(230,368)
	-----	-----
Operating profit before working capital changes	16,329,830	(2,400,306)
Adjustments for changes in working capital:		
Adjustments for operating assets:		
Decrease/(Increase) in trade receivables	(6,026,423)	(18,478,000)
Decrease/(Increase) in inventories	25,696,347	(1,609,000)
Decrease/(Increase) in loans	(3,288,417)	39,461,000
Decrease/(Increase) in other financial assets	737,736	(221,000)
Decrease/(Increase) in current assets	2,805,885	(6,939,000)
Decrease/(Increase) in other assets	(474,072)	2,538,000
Adjustments for operating liabilities		
(Decrease)/Increase in trade payables	(10,918,114)	(232,000)
(Decrease)/Increase in other liabilities	1,243,058	(1,644,000)
(Decrease)/Increase in financial liabilities	(13,597,567)	(96,000)
(Decrease)/Increase in provisions	3,358,275	1,681,000
	-----	-----
Cash generated from operating activities	15,866,539	12,060,694
Income taxes paid (Net)	(942,326)	(2,880,000)
	-----	-----
Net cash flow from operating activities	14,924,214	9,180,694
	=====	=====
B. Cash flow from investing activities		
Purchase of Property plant and equipments	(99,05,625)	(11,466,000)
Proceeds from sale of Property plant and equipments	-	53,000
Capital Work in Progress	(673,410)	1,272,379
Purchase	(121,686)	(270,000)

Particulars	Year ended	Year ended
	31, March 2019	31, March 2018
	(Rs. / lakh)	(Rs. / lakh)
Non current investments:	(633,041)	(445,000)
Bank balance not considered as Cash and cash equivalents	(3,857,466)	1,273,000
	-----	-----
Net cash (used in) investing activities	(15,191,228)	(9,582,621)
	=====	=====
Net increase in cash and cash equivalents (A+B+C)	(267,014)	(401,927)
Cash and cash equivalents at the beginning of the year	1,789,375	2,191,302
	-----	-----
Cash and cash equivalents at the end of the year	1,522,361	1,789,375
	=====	=====

Vide our report of even date:
For CSVR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S

For and on behalf of the Board

Sd/-
(CA. VENKATESH G.)
PARTNER
Membership No. 239608

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(M.RAMESH REDDY)
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Sd/-
(R.SURENDRA REDDY)
MANAGING DIRECTOR
DIN: 00294240

Place : HYDERABAD
Date : 30.05.2019

Sd/-
(RASIKA JHAWAR)
COMPANY SECRETARY
Membership No.A58541

Notes forming part of the financial statements**1. Background**

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

2. Significant Accounting Policies

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

a) Basis of preparation**i) Compliance with Ind AS**

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

ii) Historical cost convention

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

b) Segment reporting

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

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

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

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

(ii) Transactions and balances

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

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

d) Revenue Recognition:

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

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

Sale of products

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

e) Government grants

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

f) Income tax

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

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

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

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

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

g) Leases

As a lessee:

Operating Lease payments are recognised as an expense in the statement of profit and loss over lease term.

h) Impairment of assets

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

period.

i) Cash and cash equivalents

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

j) Trade receivables

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

k) Inventories

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

l) Investments and other financial assets

(i) Classification

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

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

(ii) Measurement

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

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

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

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

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

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

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

(iii) Impairment of financial assets

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

(iv) Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

m) Income recognition

Interest income

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

n) Offsetting financial instruments

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

o) Property, Plant and Equipment

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

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

Depreciation/Amortization methods, estimated useful lives and residual value

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

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

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

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

p) Intangible assets

i) Recognition

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

ii) Amortization methods and periods

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

q) Trade and other payables

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

r) Borrowings

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

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

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

s) Borrowing costs

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

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

t) Provisions

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

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

u) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Gratuity obligations

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

The present value of the defined benefit obligation denominated in ¹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

Defined contribution plans

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

(iv) Bonus plans

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

v) Dividends

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

w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

x) Rounding of amounts

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

y) Contingent Liabilities

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

z) Recent Accounting Pronouncements issued but not yet effective:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the company has not applied as they are effective from April 1, 2019:



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

3. Property, plant and equipment

Description of Assets	Freehold land	Buildings	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
I. Cost or deemed cost										
Balance as at March 31, 2017	23,705,865	58,347,121	4,468,121	157,422,973	6,345,760	8,208,082	11,269,040	7,533,915	2,912,251	280,213,128
Additions	-	-	-	9,651,054	58,000	-	-	1,726,226	30,987	11,466,267
Disposals	-	-	-	-	-	-	-	(799,889)	-	(799,889)
Balance as at April 1, 2018	23,705,865	58,347,121	4,468,121	167,074,027	6,403,760	8,208,082	11,269,040	8,460,252	2,943,238	290,379,506
Additions	-	1,438,779	293,993	7,860,262	166,227	-	-	-	-	9,759,261
Balance as at March 31, 2019	23,705,865	59,785,900	4,762,114	174,934,289	6,569,987	8,208,082	11,269,040	8,460,252	2,943,238	300,638,767
II. Accumulated depreciation										
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	15,154,779	4,224,954	82,886,501	3,891,331	4,069,231	8,985,689	5,152,797	2,283,415	126,648,697
Depreciation expense for the year	-	1,315,897	58,238	6,580,919	831,952	548,290	638,511	782,883	178,251	10,934,941
Eliminated on disposal of assets	-	-	-	-	-	-	-	(745,257)	-	(745,257)
Balance as at April 1, 2018	-	16,470,676	4,283,192	89,467,420	4,723,283	4,617,521	9,624,200	5,190,423	2,461,666	136,838,381
Depreciation expense for the year	-	1,338,673	61,866	6,708,182	790,076	503,884	594,434	1,166,616	72,925	11,236,656
Balance as at March 31, 2019	-	17,809,349	4,345,058	96,175,603	5,513,358	5,121,405	10,218,634	6,357,039	2,534,590	148,075,037



Carrying Amount	Freehold land	Buildings	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
Balance as at March 31, 2017	23,705,865	43,192,342	243,167	74,536,472	2,454,429	4,138,851	2,283,351	2,381,118	628,836	153,564,431
Additions	-	-	-	9,651,054	58,000	-	-	1,726,226	30,987	11,466,267
Disposals	-	-	-	-	-	-	-	(54,632)	-	(54,632)
Acquisitions through business combination	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(1,315,897)	(58,238)	(6,580,919)	(831,952)	(548,290)	(638,511)	(782,883)	(178,251)	(10,934,941)
Balance as at March 31, 2018	23,705,865	41,876,445	184,929	77,606,607	1,680,477	3,590,561	1,644,840	3,269,829	481,572	154,041,125
Additions	-	1,438,779	293,993	7,860,262	166,227	-	-	-	-	9,759,261
Depreciation expense	-	(1,338,673)	(61,866)	(6,708,182)	(790,076)	(503,884)	(594,434)	(1,166,616)	(72,925)	(11,236,656)
Carrying Amount as at March 31, 2019	23,705,865	41,976,551	417,056	78,758,686	1,056,629	3,086,677	1,050,406	2,103,213	408,648	152,563,730

(i) Property, plant and equipment pledged as security

Refer to note 14 for information on property, plant and equipment mortgaged as security by the company

(ii) Contractual obligations

There are no contractual commitments for the acquisition of property, plant and equipment.

(iii) Asset under construction

Total amount of CWIP as at 31st March 2019 is Rs. NIL (31st March 2018: 6,73,410).

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

4. Other intangible assets

Description of Assets	Computer software	Total
I. Cost or deemed cost		
Balance as at April 1, 2017	4,057,262	4,057,262
Additions	270,000	270,000
Balance as at April 1, 2018	4,327,262	4,327,262
Additions	121,686	121,686
Balance as at March 31, 2019	4,448,948	4,448,948
II. Accumulated depreciation and impairment		
Balance as at April 1, 2017	1,986,176	1,986,176
Amortisation expense for the year	788,127	788,127
Balance as at April 1, 2018	2,774,303	2,774,303
Amortisation expense for the year	830,236	830,236
Balance as at March 31, 2019	3,604,539	3,604,539

Carrying Amount	Computer software	Total
Balance as at March 31, 2017	2,071,086	2,071,086
Additions	270,000	270,000
Depreciation expense	(788,127)	(788,127)
Balance as at March 31, 2018	1,552,959	1,552,959
Additions	121,686	121,686
Depreciation expense	(830,236)	(830,236)
Carrying Amount as on March 31, 2019	844,409	844,409

Vamshi Rubber Limited
Notes forming part of the financial statements
 (All amounts are in Indian rupees, except otherwise stated)

5. Investments

Particulars	As at March 31, 2019	As at March 31, 2018
A. Non-current investments (Refer Note 1 below)		
Investment carried at fair value through profit and loss		
(i) Equity instruments of other entities (unquoted)	18,611,896	17,978,855
	18,611,896	17,978,855

Note 1: Details of Non-Current Investments

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Equity instruments of other entities (unquoted)		
Fortune Tire Tech Limited (12,00,000 Shares)	14,611,896	13,978,855
Sneha Renewable Energies Limited (4,00,000 Shares)	4,000,000	4,000,000
Total	18,611,896	17,978,855
Aggregate carrying value of unquoted investments	18,611,896	17,978,855

6. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables Non Current		
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
Total	-	-
Trade receivables - Current		
Unsecured, considered good	156,814,509	150,788,086
Doubtful	-	-
Less: Allowance for doubtful debts (expected credit loss allowance)	(1,394,083)	(1,394,083)
Total	155,420,426	149,394,003

Notes:

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

VAMSHI RUBBER LIMITED

Notes forming part of the financial statements

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

7. Income taxes

7.1 Deferred tax balance

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	5,436,169	6,472,860
Total	(5,436,169)	(6,472,860)

2018-19	Opening Balance	Recognised in Profit or Loss	Recognised in Other Compre- hensive Income	Closing Balance
Deferred tax (liabilities)/assets in relation to Depreciation & Amortization	(14,447,860)	-	-	(14,447,860)
Employee benefit expense	3,932,000	1,733,497	(1,697,929)	3,967,568
Fair valuation of investments	(685,000)	-	633,041	(51,959)
Expected credit loss	482,000	-	-	482,000
Transaction cost on Borrowings	(65,000)	-	-	(65,000)
Others	4,311,000	368,082	-	4,679,082
Total	(6,472,860)	2,101,579	(1,064,888)	(5,436,169)

2017-18	Opening Balance	Recognised in Profit or Loss	Recognised in Other Compre- hensive Income	Closing Balance
Deferred tax (liabilities)/assets in relation to Depreciation & Amortization	(14,724,860)	277,000	-	(14,447,860)
Employee benefit expense	3,391,000	377,000	164,000	3,932,000
Fair valuation of investments	(531,000)	(154,000)	-	(685,000)
Expected credit loss	373,000	109,000	-	482,000
Transaction cost on Borrowings	(79,000)	14,000	-	(65,000)
Others	161,000	4,150,000	-	4,311,000
Total	(11,409,860)	4,773,000	164,000	(6,472,860)

7.2. Current tax assets and liabilities

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax assets		
Tax Refund & TDS Receivable	1,445,864	1,971,792
Advance Tax	1,000,000	-
	<u>2,445,864</u>	<u>1,971,792</u>
Current tax liabilities		
Income tax payable	633,339	-
Total Current tax liabilities	633,339	-

7.3 - Tax Expense

a) Recognised in statement of profit and loss

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax In respect of the current year	633,339	(308,987)
	<u>633,339</u>	<u>(308,987)</u>
Deferred tax In respect of the current year	595,229	(4,773,525)
	<u>595,229</u>	<u>(4,773,525)</u>

b) Recognised in Other comprehensive Income

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax In respect of the current year	-	-
Deferred tax In respect of the current year	441,462	164,328
	<u>441,462</u>	<u>164,328</u>

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax from continuing operations	4,262,938	(14,337,908)
Tax rate	0	0
Income tax expense calculated at 26% (2017-18 : 30.9%)	1,108,364	(4,430,413)
Effect of expenses that are not deductible in determining taxable profit	(3,180,131)	919,000
Others	1,044,989	(1,262,112)
Adjustments recognised in the current year in relation to the current tax of prior years	1,064,888	(308,987)
	<u>38,110</u>	<u>(5,082,512)</u>
Income tax expense recognised in profit or loss	38,110	(5,082,512)

Notes:

(i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

8. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Inventories (lower of cost and net realisable value)		
Raw materials	13,345,647	30,440,721
Work-in-progress	31,861,969	26,496,717
Finished goods	86,461,710	99,100,931
Consumables & Stores	6,503,530	7,830,834
Total	138,172,856	163,869,203

Inventories written off during the year Nil (March 31, 2018 : Nil)

Note - 9: Cash and Bank Balances

9A. Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks in current accounts	1,402,048	1,716,478
Cash on hand	120,312	72,896
Total	1,522,361	1,789,375

Notes:

(i) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

9B. Other Bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividend account	3,252,184	3,592,718
Deposits held as margin money/security for bank guarantees	7,735,000	3,537,000
Total	10,987,184	7,129,718

10. Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on deposits	686,398	441,809
Security deposits	847,053	1,829,378
Total	1,533,451	2,271,187

11. Other assets

Particulars	As at March 31, 2019	As at March 31, 2018
Current:		
Prepaid expenses	1,712,756	1,728,406
Balance with government authority	7,088,137	5,737,926
Advances recoverable in cash or kind -Current	2,150,713	2,851,403
Other Receivables from government Departments	3,722,590	6,931,186
Other advances		
- Secured, considered good	303,667	534,826
Total	14,977,863	17,783,748

12. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
45,000,000 fully paid up equity shares of Rs.10 each	450,000,000	450,000,000
Issued and subscribed capital:		
4,206,800 fully paid up equity shares of Rs.10 each	42,068,000	42,068,000
Total	42,068,000	42,068,000

Notes:

(A) Reconciliation of the number of shares outstanding:

Particulars	Number of shares	Amount
Balance at April 1, 2018	4,206,800	42,068,000
Issue of shares	-	-
Balance at March 31, 2019	4,206,800	42,068,000

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

Name of the Share Holder	As at March 31, 2019	
	Number of shares held	% holding of equity shares
Fully paid equity shares		
M.Ramesh Reddy	599,850	14.26%
K.V.Sarma	434,543	10.33%
R.Surendra Reddy	352,543	8.38%
The Hercules Tire and Rubber Co., USA	415,000	9.86%
P.Varun Kumar	347,655	8.26%

There was no change in the above share holding when compared to previous year.

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

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

13. Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings	110,274,816	106,673,414
Balance at end of year	110,274,816	106,673,414

13.1 Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	106,673,414	115,794,408
Net profit for the year	3,601,402	(9,255,395)
Remeasurements of the defined benefit plans	-	134,401
Balance at end of year	110,274,816	106,673,414

14. Non-current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
Term loans from banks	29,073,568	24,184,263
Total	29,073,568	24,184,263

* Current maturities on long-term borrowings have been disclosed under the head Other current financial liabilities

Summary of borrowing arrangements

14.1 Term Loans

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.

Term Loan from State Bank of India, SME, Saifabad Branch, Hyderabad is secured for procurement of Moulds. The repayment will be 60 months instalments from April 2018 and the applicable interest rate is 10.95%

15. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Deferred Sales Tax Liability	23,931,453	24,797,108
Total	23,931,453	24,797,108
Current		
Current maturities of Long term borrowings	7,779,104	21,776,417
Unpaid Dividends	3,252,184	3,592,719
Others		
(i) Creditors for expenses	17,630,957	16,467,253
(ii) Others	6,352,280	5,910,049
Total	35,014,525	47,746,437

16. Employee benefit obligations

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
- Gratuity	14,156,096	10,982,284
	-	
Total Non current	14,156,096	10,982,284
Current		
- Bonus	1,039,256	1,112,407
- Gratuity	818,324	560,710
Total Current	1,857,580	1,673,117

17. Current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
Loans repayable on demand from banks (bank overdraft, cash credits)	188,688,533	196,866,256
Total	188,688,533	196,866,256

Notes:
i) Loan from banks

Loans secured by Inventory and book debts, movable and immovable properties.

18. Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables - Current		
Dues to micro enterprises and small enterprises	-	-
Dues to creditors other than micro enterprises and small enterprises	45,945,959	56,864,073
Total	45,945,959	56,864,073

Terms and conditions of the above financial liabilities:

(i) Trade payables are non-interest bearing

19. Other liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Lease Equalisation Reserve	-	127,562
Total	-	127,562

20. Revenue from Operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	835,365,134	762,899,457
Total	835,365,134	762,899,457

21. Other Income (Net)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on financial assets carried at amortised cost		
Bank deposits	877,959	486,999
	877,959	486,999
Other non-operating income		
Miscellaneous income (net)	1,255,751	2,469,371
	1,255,751	2,469,371
Other gains and losses		
Net foreign exchange gain	1,624,428	1,565,161
	1,624,428	1,565,161
Total	3,758,138	4,521,531

22. Cost of Materials Consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Opening stock	30,440,721	26,625,676
(b) Add: Purchases	568,020,976	556,136,761
(c) Less: Closing stock	13,345,647	30,440,721
	585,116,050	552,321,715

23. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock:		
Finished goods	99,100,931	104,646,928
Work-in-progress	26,496,717	19,069,464
	125,597,648	123,716,392
Closing Stock:		
Finished goods	86,461,710	99,100,931
Work-in-progress	31,861,969	26,496,717
	118,323,679	125,597,648
Net (increase) / decrease	7,273,969	(1,881,256)

24. Employee Benefits Expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages, including bonus	77,046,168	72,946,609
Contribution to provident and other funds	3,754,028	3,349,279
Gratuity	2,686,807	1,861,161
Contract Labour charges	17,560,799	12,197,703
Staff welfare expenses	1,332,632	1,666,771
Total	102,380,434	92,021,523

25. Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
- Interest on bank overdraft & term loans	23,355,792	19,537,380
- Other interest expense	480,085	71,168
Total	23,835,877	19,608,548

26. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment	11,236,656	10,934,941
Amortisation of intangible assets	830,236	788,127
Total	12,066,892	11,723,068

27. Operating & Other Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Insurance	539,419	590,098
Stores consumed	7,259,200	6,587,219
Job Work charges	-	5,241,389
Packing material consumed	5,976,815	5,616,328
Power & Fuel	41,755,921	36,935,591
Repairs & Maintenance		
- Buildings	282,425	321,322
- Plant & machinery	62,841	8,420
- Others	82,900	10,260
Rent, Rates & Taxes	3,219,888	3,144,468
Computer Maintenance	117,012	94,421
Travelling & Conveyance	4,592,415	3,890,930
Postage & Telephones	272,755	263,037
Professional & Legal Expenses	1,202,199	1,024,843
Marketing & Service Charges	7,249,095	4,740,689
Freight Outward	16,764,253	14,529,336
Loading & Un-Loading Charges	1,854,339	1,863,060

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank Charges	2,173,618	3,050,045
Sitting Fees to Directors	50,000	65,000
Auditors Remuneration	125,000	125,000
Telephone and Telex Charges	178,853	336,977
Vehicle Maintenance	1,864,013	1,726,342
Books and Periodicals	5,080	4,499
Security Charges	1,778,819	1,620,673
Printing and Stationery	195,037	146,517
Office Maintenance	806,008	803,811
Electricity Charges	589,037	514,206
General Expenses	572,161	354,121
Registration, Licence & Filing Fee	400,673	390,214
Membership Fee	56,484	38,634
Provision for bad debts	-	316,267
Bad Debts written off	59,580	997,937
Interest on TDS	1,438	-
AGM Expenses	126,399	96,718
Donations	125,000	100,000
Total	100,338,677	95,548,371

Notes:

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Company		
For statutory audit	100,000	100,000
For Taxation	25,000	25,000
	-----	-----
Total Auditors' remuneration	125,000	125,000

Vamshi Rubber Limited
Notes forming part of the financial statements

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

28. Earnings per share

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

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

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

Name of the Share Holder	For the year ended	
	March 31, 2019	March 31, 2018
Profit after tax & OCI	3,601,402	(9,120,994)
Basic and diluted EPS:		
Number of shares outstanding at the year end	4,206,800	4,206,800
Weighted average number of equity shares	4,206,800	4,206,800
Earnings per share (‘)	0.86	(2.17)

29. Segment Information

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

30. Contingent Liabilities not provided fo

Particulars	As at March 31, 2019	As at March 31, 2018
a) In respect of Bank Guarantees	45,207,000	18,850,000
b) In respect of Corporate Guarantee to M/s. Fortune Tire Tech Limited	38,000,000	56,199,000

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

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management		

Vamshi Rubber Limited

Notes forming part of the financial statements

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

32 Capital and Financial risk management objectives and policies

A. Capital Management

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

B. Financial Risk Management Framework

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

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

Market Risk

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

Foreign currency risk

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

Details of unrealised amounts from overseas buyers:

Particulars	As at March 31, 2019	As at March 31, 2018
USD Receivables	73,56,000	6,586,000
EURO Receivables		3,583,000

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

Particulars	Impact on Profit Tax	
	31 March 2019	31 March 2018
USD Sensitivity		
INR/USD - Increase by 1 rupee	(128,686)	(104,000)
INR/USD - Decrease by 1 rupee	128,686	104,000
EUR Sensitivity		
INR/EUR - Increase by 1 rupee	-	(47,000)
INR/EUR - Decrease by 1 rupee	-	47,000

Interest rate risk

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

Interest rate sensitivity

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

Particulars	Impact on Profit Tax	
	31 March 2019	31 March 2018
Interest rates-increase by 50 basis points	(878,471)	(899,525)
Interest rates-decrease by 50 basis points	878,471	899,525

Credit Risk

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

(i) Year ended 31 March, 2019:

(a) Expected credit loss for financial assets where general model is applied

Particulars	Asset group	Estimated gross carrying amount at default	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition			
Loss allowance measured at 12 month expected credit losses	Other financial assets	14,042,995	14,042,995
Loss allowance measured at Life time expected credit losses			

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

Particulars	Asset group	Estimated gross carrying amount at default	Expected Credit Loss	Carrying amount net of provision
Loss allowance measured at Life time expected credit losses	Trade Receivables	156,814,509	1,394,083	155,420,426

(i) Year ended 31 March, 2018:

(a) Expected credit loss for financial assets where general model is applied

Particulars	Asset group	Estimated gross carrying amount at default	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition			
Loss allowance measured at 12 month expected credit losses	Other financial assets	11,190,280	11,190,280
Loss allowance measured at Life time expected credit losses			

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

Particulars	Asset group	Estimated gross carrying amount at default	Expected Credit Loss	Carrying amount net of provision
Loss allowance measured at Life time expected credit losses	Trade Receivables	150,788,086	1,394,083	149,394,003

(iv) Reconciliation of Loss allowance provision

Particulars	Provision on Trade Receivables	Allowance for bad & doubtful deposits
Loss allowance as at March 31, 2018	1,395,000	-
Add/(Less):		
Provision made during the period	-	
Provision reversed during the period	-	
Loss allowance as at March 31, 2019	1,395,000	-

Significant estimates and judgements

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

Liquidity Risk

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

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

Particulars	On Demand	in next 12 months	> 1 Year	Total
Year ended March 31, 2019				
Borrowings	-	188,688,533	29,073,568	217,762,101
Other financial liabilities	-	36,872,105	23,931,453	60,803,558
Trade and other payables	-	45,945,959	-	45,945,959
	-	271,506,597	53,005,021	324,511,618
Year ended March 31, 2018				
Borrowings	-	196,866,256	24,184,263	221,050,519
Other financial liabilities	-	49,419,554	24,797,108	74,216,662
Trade and other payables	-	56,864,073	-	56,864,073
	-	303,149,882	48,981,371	352,131,253

Vamshi Rubber Limited
Notes forming part of the financial statements

(All amounts are in Indian Rupees in Lakhs, except otherwise stated)

33 Financial Instruments

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

Cost or deemed cost	Fair Value Hierarchy	Carrying Values		Fair Value	
		As at March, 2019	As at March, 2018	As at March, 2019	As at March, 2018
Assets:					
Non-Current					
i) Investments	Level 3	18,611,896	17,978,855	18,611,896	17,978,855
Current					
i) Trade receivables	Level 3	155,420,426	149,394,003	155,420,426	149,394,003
ii) Cash and cash equivalents	Level 3	1,522,361	1,789,375	1,522,361	1,789,375
iii) Other balances with banks	Level 3	10,987,184	7,129,718	10,987,184	7,129,718
iv) Other financial assets	Level 3	1,533,451	2,271,187	1,533,451	2,271,187
Liabilities:					
Non-Current					
(i) Borrowings	Level 3	29,073,568	24,184,263	29,073,568	24,184,263
(ii) Other non current financial liabilities	Level 3	23,931,453	24,797,108	23,931,453	24,797,108
Current					
i) Borrowings	Level 3	188,688,533	196,866,256	188,688,533	196,866,256
ii) Trade payables	Level 3	45,945,959	56,864,073	45,945,959	56,864,073
iii) Other current financial liabilities	Level 3	35,014,525	47,746,437	35,014,525	47,746,437

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

Fair value hierarchy

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

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

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

i) The Carrying values of Current financial liabilities and current financial assets are taken as their fair value because of their short term nature.

ii) The Carrying values of Non-Current financial liabilities and Non-current financial assets are taken as their fair value based on their discounted cash flows.

iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the company could have realised or paid in sale transactions as of respective dates. as such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

iv) There have been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2019 and March 31, 2018

Significant estimate:

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

Note No.34

Post Employment Benefit Plans

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

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

a) Reconciliation of Defined Benefit Obligation:

Particulars	31, March 2019	31, March 2018
Liability at the beginning of the period / year	1,15,42,994	99,31,582
Current Services Cost	17,63,367	5,91,806
Interest Cost	9,23,440	7,94,527
Benefits Cost	-9,53,310	-2,49,749
Actuarial (gain)/Loss	16,97,929	4,74,828
Liability at the end of the period / year	1,49,74,420	1,15,42,994

b) Amount recognized in the Balance Sheet

Particulars	31, March 2019	31, March 2018
Liability at the end of the Period / Year	1,49,74,420	1,15,42,994
Fair value of plan assets at the end of the Period / Year	0	0
Amount to be recognised in Balance Sheet	1,49,74,420	1,15,42,994

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

Particulars	31, March 2019	31, March 2018
Current Service Cost	17,63,367	5,91,806
Interest Cost	9,23,440	7,94,524
Expense recognized in Statement of Profit and Loss	26,86,807	13,86,330

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

Particulars	31, March 2019	31, March 2018
Experience (gain)/Loss on plan liabilities	16.98	4.74
Demographic (gain)/Loss on plan liabilities	-	-

e) Principal assumptions used in determining gratuity:

Particulars	2018-19	2017-18
Salary Escalation	3%	4%
Discount Rate	7.65%	8%
Employee Turnover	3%	5%

f) Sensitivity Analysis

Assumptions	As at 31.03.2019	As at 31.03.2018
Discount Rate		
1% Increase	1,39,00,513	1,08,63,064
1% Decrease	1,61,89,175	1,23,01,321
Salary Rate		
1% Increase	1,65,24,346	1,29,52,308
1% Decrease	1,36,08,271	1,03,18,784
Attrition Rate		
1% Increase	1,57,15,312	1,19,73,888
1% Decrease	1,41,71,441	1,10,77,425

NOTE NO. 35

Managerial Remuneration:

Assumptions	2018-19	2017-18
Remuneration		
- Managing Director	48,00,000	48,00,000
- Whole Time Directors	1,44,00,000	1,44,00,000
- Company Secretary	2,15,260	2,95,000
TOTAL	1,94,15,260	1,94,95,000

NOTE NO. 36

Pursuant to the provisions of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee or director, who was in receipt of remuneration for the year under consideration exceeding one crore two lakh rupees, the information of which could form part of the Director's Report for the year ended 31st March 2019.

NOTE NO. 37

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

NOTE NO. 38

Foreign Exchange Earnings and Outflow:

Assumptions	Current Year	Previous Year
Expenditure in Foreign Currency:		
On Raw Material	82,69,328	NIL
On Machinery Consumables	NIL	IL
On Capital Goods	NIL	NIL
Earning in Foreign Currency:	6,03,96,423	5,17,12,000

NOTE NO. 39

Transactions with the related parties pursuant to Accounting Standard 18:

List of Related Parties

Key managerial personnel	- Sri M.Ramesh Reddy (Chairman) - Sri R.Surendra Reddy (Managing Director) - Sri P.Varun Kumar (Personnel & Administration) - Sri K.V.Sarma (Director Operations) - Ms. Sakshi (Company Secretary)
Enterprise significantly influenced by KMP	Fortune Tire Tech Limited

Transaction with the Related Parties:

Particulars	Enterprise significantly influenced by KMP		Key Management personnel	
	2018-19	2017-18	2018-19	2017-18
Sale of Goods	95,381,928	115,997,000	-	-
Purchases/Services	31,093,168	36,240,000	-	-
Remuneration paid (Directors)	-	-	19,200,000	19,200,000
Remuneration (Company Secretary)	-	-	215,260	295,000

Balance as at 31st March

Particulars	Enterprise significantly influenced by KMP		Key Management personnel	
	2018-19	2017-18	2018-19	2017-18
Sale of Goods	21,090,894	4,745,242	—	—
Remuneration (Directors)	—	—	1,234,969	1,218,000
Remuneration (Company Secretary)	—	—	16,175	18,000
Investments	14,611,896	13,978,855	—	—

NOTE NO. 40

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 “40”

VIDE OUR REPORT OF EVEN DATE

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

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

Place : Hyderabad
Date : 30.05.2018

FOR AND ON BEHALF OF THE BOARD

**(M.RAMESH REDDY)
CHAIRMAN
DIN: 00025101**

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

**(RASIKA JHAWAR)
COMPANY SECRETARY
Membership No.A58541**

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 25th Annual General Meeting of the company, to be held on the Saturday, 28th September, 2019 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 2019 along with Notes, the Reports of the Board of Directors and the Auditors thereon		
2.	To appoint a director in place of Mr. Ramesh Reddy, Mereddy (holding DIN 00025101), who retires by rotation and being eligible, offers himself for re-appointment		
3.	Re-appointment of Mr. Vamsheedhar Reddy Arrabothu as independent director of the Company		
4.	Re-appointment of Mr. Venkat Reddy Arolla as independent director of the Company		
5.	Re-appointment of Mr. Neerudu Sundeep Kumar Reddy as independent director of the Company		
6.	To Increase the Borrowing powers of the company under Section 180(1) (c) of the Companies Act, 2013 to the extent of Rs. 75 Crores		
7.	To authorize the board of directors to Create Charge on whole or part of the undertaking of the Company under Section 180 (1) (a) of the Companies Act, 2013 to the extent of Rs. Rs. 75 Crores		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2019

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)

25th Annual General Meeting on 28th September, 2019

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 25th Annual General Meeting of the Vamshi Rubber Limited held at J.S. Krishna Murthy Auditorium, FTAPCCI, Red Hills, Hyderabad, Telangana on Saturday, the 28th September, 2019 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

