

Annual Report - 2003

Indag Rubber Limited
Registered Office
Indag Rubber Limited
1st Floor, Indag House
10, Market Street
Barnsley, U.K. S70 2BA
S.R. Ballin & Co.
Chartered Accountants
2nd Floor, Indag House
10, Market Street
Barnsley, U.K. S70 2BA
Company Secretary
Indag Rubber Limited
10, Market Street
Barnsley, U.K. S70 2BA



An ISO 9002 Company
ISO 9002
Registered
Quality Register
The Quality Advantage

Accredited by Dutch Council
for Certification



Indag Rubber Limited

- **BOARD OF DIRECTORS**
Nand Khemka
Chairman
S.L. Khemka
Mark R. Thoeny
P.R. Khanna
R. Parameswar
K.K. Kapur
(Whole Time Director)
- **BANKERS**
Corporation Bank
State Bank of Bikaner & Jaipur
- **FOREIGN COLLABORATOR**
Bandag Inc., U.S.A.
- **AUDITORS**
S.R. Battiboi & Co.
Chartered Accountants
B-26, Qutab Institutional Area,
New Delhi-110016 (India)
- **REGISTERED OFFICE**
11, Community Centre, Saket,
New Delhi-110017
- **WORKS**
Plot No. SP 86, Industrial Area,
Bhiwadi-301019, Dist. Alwar, (Rajasthan)

Indag Rubber Limited
Quality Policy

Indag is committed to

1. **CONSISTENTLY** deliver world class quality products and services.
2. **CONTINUOUSLY** improve upon its quality standards to meet the best expectation of customers.
3. Ensure that each employee is **CONSCIOUS** of the need to respect and participate in the quality improvement mission.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDAG RUBBER LIMITED WILL BE HELD ON FRIDAY, THE 18th JULY, 2003 AT 9.30 A.M AT DOLLY FARMS & RESORTS PVT. LTD., (NEAR THE EXECUTIVE CLUB) 439, VILLAGE SHAHOORPUR, P.O. FATEHPUR BERI, NEW DELHI-110030, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2003 and the Balance Sheet as on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. Parameswar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P.R.Khanna, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration and if thought fit, to pass with or without modification the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT S.R. Battiboi & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to audit the Accounts for the Accounting Year 2003-2004 and to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on a remuneration plus reimbursement of out-of-pocket expenses, as may be mutually agreed to between the Board of Directors and the Auditors."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the members be and is hereby accorded for re-appointment and remuneration of Mr.K.K.Kapur as Whole-time Director (designated as Chief Executive Officer) of the Company for a period of one year and 10 days with effect from 22nd May, 2003 upon the terms and conditions & remuneration as set out below with the liberty to the Board of Directors to alter and vary the terms & conditions thereto in such manner as may be agreed to between the Board of Directors and Mr.K.K.Kapur:

(A) The Whole Time Director shall control day-to-day affairs of the Company and its business affairs subject to the ultimate supervision and control of the Board of Directors.

(B) Period of Agreement : One Year and 10 days w.e.f. 22nd May 2003 to 31st May 2004.

(C) REMUNERATION**Fixed Salary Component**

- 1) Salary : Rs. 27,500/- per month.
- 2) Perquisites : Perquisites will be allowed in addition to salary restricted to an amount equal to the Annual Salary or Rs. 2,51,000/-(Rupees two lacs fifty one thousand only.) per annum, whichever is less. For this purpose, perquisites are classified into three categories, Category-A, category-B and category-C and ceiling shall apply only to category-A.

Variable Salary Component

- 3) Bonus : The Whole-time Director will also be entitled to Bonus, as approved by the Chairman of the Board of Directors, which will be computed on the basis of the profits before tax earned by the Company, provided that where in any financial year, the company has no profits or has inadequate profits, the bonus shall not exceed Rs.9,00,000/- (Nine lacs) per annum.

Classification of Perquisites:**Category A**

Housing : The Expenditure by the Company on hiring unfurnished leased accommodation will be subject to the ceilings of Rs.192,000/-(Rupees one lac ninety two thousand only) per annum.

Leave Travel Allowance : Reimbursement towards the expenses incurred by him and his family on leave travel once in a year for an amount not exceeding Rs. 44,000/-(Rupees forty four thousand only) per annum.

Medical Expenses : Reimbursement towards the medical expenses incurred on himself or on his family for an amount not exceeding Rs. 15,000/- (Rupees fifteen thousand only) per annum.

Category B

Company's contribution to Provident Fund, Superannuation fund or Annuity fund to the extent under the Income Tax Rules, 1962.

Gratuity payable shall not exceed fifteen days salary for each completed year of service or part thereof in excess of six months, subject to a ceiling as per the Payment of Gratuity Act 1972. For this purpose, he will be deemed to have been in continuous service of the company since 9th April, 2001.

Category C

The Company shall provide a car with a driver and telephone facility at the residence of the Whole time Director.

- D) The Whole Time Director shall not become interested or otherwise concerned directly or through his wife and/or minor children in any buying and selling agency of the Company in future without the prior approval of the Board of Directors or subject to such other approvals as may be considered necessary.
- E) The Whole Time Director shall not be entitled to fees payable to Directors for attendance at Board Meetings and of all Committees appointed by the Board.
- F) The Agreement may be terminated by either party by giving to the other one month notice of such termination or one month salary in lieu thereof at the Company's option which may be given at any time. The Whole Time Director will not be entitled to any compensation for loss of office due to termination Under Section 318 of the Company Act, 1956 or otherwise.
- G) The Whole Time Director shall exercise such power and function and on such term as the Board of Directors of the Company may prescribe from time to time, it being agreed and understood that the Board shall have the power to alter modify, revoke or withdraw all or any of the powers so conferred.
- H) The Whole Time Director shall be liable to retire by rotation".

For and on behalf of the Board of Directors

New Delhi
May 23, 2003

Rajeev Khanna
DGM (Finance) cum Company Secretary

NOTES

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business set out at item nos. 4 to 5 of the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE ANNUAL GENERAL MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 3rd July, 2003 to Friday the 18th July, 2003 (both days inclusive).
4. Members/Proxies must bring the Attendance Slip duly filled in for attending the meeting and hand it over at the entrance duly signed.
5. Members desiring any information on the Accounts are required to write to the company at its Registered Office giving at least seven days time before the date of the Annual General Meeting to enable the Management to collect and keep the information ready.
6. Members are requested to bring their copy of Annual Report with them, as the same will not be supplied again at the meeting as a measure of economy.
7. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings, (SS-2) issued by ICSI, no gifts/coupon will be distributed at or in connection with the meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement (Pursuant to Section 173(2) of the Companies Act, 1956)

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 23rd May 2003.

Item No. 4

Pursuant to Article No. 147(2) of the Articles of Association of the Company, Special Resolution is to be passed for re-appointment of Statutory Auditors.

The resolution as set out in item no. 4 of the annexed notice is, therefore recommended for your approval.

None of the Directors is concerned or interested in the proposed resolution.

Item No. 5

Mr. K.K.Kapur has been re-appointed as a Whole-time Director of the company by the Board of Directors with effect from May 22, 2003, for a period of one year and 10 days, pursuant to the provisions of the Companies Act, 1956.

Mr.K.K.Kapur is a post-graduate in Mathematics and a member of the Institute of Cost and Works Accountants of India. Mr.K.K.Kapur has an experience of over 41 years and has served in various capacities with Steel Authority of India Limited, Gas Authority of India Limited and Enron India.

Mr.K.K.Kapur has retired from the office of Chairman & Managing Director of Gas Authority of India in the year 1996, thereafter served as Managing Director of Enron India (NG) till the year 1998.

The terms & conditions of appointment & remuneration of Mr.K.K.Kapur as a Whole-time Director are outlined in the resolution placed before the members.

The resolution as set out in item no. 6 of the annexed notice is, therefore recommended for your approval.

Except Mr.K.K.Kapur, no other director is interested in the proposed resolution.

The above statement may be regarded as an abstract of the terms of appointment and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

INSPECTION OF DOCUMENTS

The draft agreement to be entered into between the Company and Mr. K.K.Kapur as Whole Time Director will be open for inspection by any member at the Registered office of the Company between 11:00 am to 1:00 pm on any working day of the Company by and including the date of the meeting.

For and on behalf of the Board of Directors

New Delhi
May 23, 2003

Rajeev Khanna
DGM (Finance) cum Company Secretary

*Details of Directors seeking re-appointment in Annual General Meeting fixed on 18th July, 2003 continued on Page No. 32.

DIRECTORS' REPORT

TO

THE MEMBERS,

Your Directors are pleased to present the 24th Annual Report together with the Audited Statement of Accounts of the Company for the accounting period ended March 31, 2003. We have included, as a part of this report the Management Discussion and Analysis.

FINANCIAL RESULTS :

(Rs. in Lacs)

Particulars	2002-2003	2001-2002
Profit (Loss) before Interest & Depreciation	43.80	(111.92)
Finance Expenses	60.50	58.97
Profit (Loss) before Depreciation	(16.70)	(170.89)
Depreciation	42.97	48.23
(Loss) before Income Tax	(59.67)	(219.12)
Deferred Tax Assets	18.78	81.30
Excess provision for Income Tax Written back	-	16.87
(Loss) for the year	(40.89)	(120.95)
(Debit)/Credit Balance brought forward from previous year	(92.65)	(28.30)
(Loss) carried to balance sheet	(133.54)	(92.65)

OPERATIONAL PERFORMANCE

During the year under review the Operational Profit, before making provision for Interest and depreciation, amounted to Rs. 43.80 lacs as against loss of Rs.111.92 lacs in the previous year. This Operational Profit was made after providing for nearly Rs.72 lacs on account of non-moving stocks, doubtful debts, irrecoverable advances etc. relating to previous years. But for this provision, your Company would have made a nominal profit of Rs.12 lacs even after providing for depreciation and interest. This turn-around has been achieved through nearly 24% increase in sales volume, and through various actions for reducing production costs like lowering of power and fuel consumption, reduction in maintenance costs, wastages etc.

The Raw Material prices particularly Natural Rubber and Synthetic Rubber prices increased steeply in the current year, as compared to the last year. Most of these increases in prices could not be passed on to the customer because of intense competition from the unorganized sector.

DIVIDEND

In view of the loss incurred by the Company, your Directors are not in a position to recommend any dividend for the year under review.

INDUSTRY EXPERIENCE

After two years of negative growth the truck and bus new tyres segment witnessed double digit growth. Sale of new trucks/buses during the year 2002-2003 also saw growth on month to month basis over the previous year. However, corresponding change of fortune in the growth of tyre retreading industry was not witnessed, though there was a marginal positive impact on the industry. It is hoped that higher sale of new tyres and trucks & buses will make large number of casings available in course of time for retreading and lead to this industry's growth.

The Tread Rubber manufacturing industry can be classified into two categories, the organized sector and the unorganized sector. The organized sector comprises of a few companies, Indag being one of them. The unorganized sector comprises of a very large number of small manufacturers and has acquired a share of 70% to 75% of the retreading market. The companies in the organized sector at times face certain difficulties to compete with those in the unorganized sector who do not comply fully with requirements of taxes, levies etc.

OPPORTUNITIES AND THREATS

There are several developments taking place which gives us a hope that retreading industry will grow in coming years. Mega road construction project known as Golden Quadrilateral connecting all 4 corners of the country, launched by Hon'ble Prime Minister, clearly indicates the importance being given to the construction of good roads in the country.

The Union Budget 2003-2004 undertakes to provide 48 new projects at an estimated cost of Rs. 40,000/- Crores over and above the Golden Quadrilateral. The availability of good roads will enable retreading of same tyre being

done more often and would become more cost effective compared to buying new tyres. The construction of good roads of international standards will normally make usage of the large trucks a more economic option. This would lead to greater demand for quality retreading instead of cheap retreading. Further, the transporters and the government have agreed that over-loading should not be done or allowed to be continued. In case it is effectively enforced, this will enable retreading of tyres to be done more often than at present. The usage of radial tyres is also expected to grow with the availability of better roads. This too will lead to greater demand for retreading and most likely for better quality retreads.

The reduction of excise duty from 32 % to 24% on new tyres, is however, working as dis-incentive for retreading, as the gap between the price of new tyre and that of retreaded tyres has got narrowed down.

Taking all the factors into account it appears that retreading industry is likely to grow in the years to come. Indag is taking steps to take advantage of this opportunity. The company is appointing new franchisees and also giving focussed attention to educate the end customers. In the last 1 to 1 ½ years 15 new products were introduced and another 5-10 are being planned in the current year in order to cater to the customers needs and meet competition from the unorganised sector. The company is also focusing on big markets by working very closely with franchisees in order to add value for the end-customers.

RISK AND CONCERNS

The Company is exposed to the risks from market fluctuations of interest rates and commodity prices.

HUMAN RESOURCE DEVELOPMENT

During the year, the Company had cordial industrial relations. A three year agreement was signed with the workers' union of Company's Plant at Bhiwadi. A Mapping of jobs has been initiated to ensure that the right person is allocated the right job. The Company reviews training needs for its employees numbering 223 and training is conducted periodically.

INTERNAL CONTROL SYSTEM

Indag has evolved a system of internal controls to ensure that the assets are safeguarded and transactions are authorized, recorded and correctly reported.

Independent internal auditors conduct the audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out resulting in identification of control deficiencies, opportunities for bridging gaps with best practices. The Audit Committee reviews the adequacy of the internal control systems.

FUTURE OUTLOOK

With an aim to make India a developed country, the infrastructure sector is being given major boost to provide impetus to the economic development. Road transport industry is also expected to grow with construction / development of new road links between major cities. Growth of Road Transport industry implies growth of retread industry.

Indag is already taking steps to avail growth opportunities by continuous improvements in the products, introducing new products, providing support and services to the franchisees and focusing on end customers to provide value for money.

COMMITMENT TO QUALITY

Indag recognizes quality as a pre-requisite for its operations and has implemented ISO 9002 standards at Plant and Head Office. The Company is taking requisite steps for up gradation of its standards to conform to ISO 9000: 2000 versions.

ENVIRONMENT PROTECTION

Anti Pollution systems are fully installed and operational. Continuous efforts to nurture and preserve the environment are vigorously pursued.

DIRECTORS

Mr. K.K.Kapur has been reappointed as the Whole-time Director of the Company w.e.f. 22nd May 2003 for a period of one year & 10 days.

In accordance with Article 99 of the Articles of Association of the Company, Mr. R Parameswar and Mr. P.R.Khanna retire from Office by rotation, and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

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

AUDITORS

The Auditors of the Company, S.R.Batliloi & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The requisite certificate under section 224(1B) of the Companies Act 1956 has been received from them.

PARTICULARS OF EMPLOYEES

The Company had no employee during the year, whose particulars are required to be disclosed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975.

RESEARCH AND DEVELOPMENT/TECHNOLOGY ABSORPTION/FOREIGN EXCHANGE EARNING AND OUTGO.

The information to be disclosed under Section 217 (1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, is appended hereto as Annexure - I and forms part of this Report.

LISTING

Your Company is listed with the Stock Exchanges of Delhi and Mumbai and the annual listing fee for the financial year 2002-2003 has been paid.

DEPOSITORY SYSTEM

The shares of your Company are being traded in electronic form and the Company had established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail the facility of dematerialization of the shares on either of the Depositories as aforesaid.

CORPORATE GOVERNANCE

The provisions of the Corporate Governance are applicable to your Company from the year under review. The Company is complying with all applicable requirements. A report on Corporate Governance is annexed to this Report. Certificate, in this respect, from the auditors of the Company, S.R.Batliloi & Co. Chartered Accountants is also annexed to this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report, as required by clause 49 of the listing agreement, is already dealt with in various sections of this Report.

CAUTIONERY STATEMENT

Statements in this report, describing the Company's objectives, expectations and/or predictions may be forward looking within the meaning of applicable securities law and regulations.

Actual results may differ materially from those stated in the statement. Important factors that could influence the company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government regulations, tax laws, economic developments within the country and outside and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of the forward looking statements which may undergo changes in future on the basis of subsequent developments, information or events.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2002-2003 are in full conformity with the requirements of the Companies Act, 1956. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operation.

Your Directors further confirm that:

- i. in presentation of the Annual Accounts, applicable Accounting Standards have been followed.
- ii. the accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year.
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors had prepared the Annual Accounts on a going concern basis.



The Company's internal Auditors have conducted periodic Audits to provide reasonable assurance that the Company's established policies and procedures have been followed.

APPRECIATIONS

Your Directors acknowledge and appreciate the support received from Bandag Inc. and Company's Bankers. Your Directors also wish to place on record their appreciation for the continuous support received from the shareholders, franchisees, customers, suppliers and the Company's employees at all levels.

For and on behalf of the Board

New Delhi
May 23, 2003

NAND KHEMKA
CHAIRMAN

ANNEXURE-I**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****(A) CONSERVATION OF ENERGY:**

Conservation of energy continues to be one of the key priorities of the Company. As an ongoing process, the Company has been implementing various measures for conservation of energy.

(B) TECHNOLOGY ABSORPTION:

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) Activities relating to export, initiatives taken to increase export, development of new export market for products and services and export plans.

The Company has been able to export retreading equipment and spare parts to Sri Lanka and is exploring new markets for export.

- (b) Total Foreign Exchange used and earned:

	2002-2003 (Rs. Lacs)	2001-2002 (Rs. Lacs)
Foreign Exchange earned	1.18	1.26
Foreign Exchange used	14.64	33.70

FORM - B

(See Rule 2)

Disclosure of particulars with respect to Absorption, Research and Development.

RESEARCH AND DEVELOPMENT

Sustained R&D efforts are being pursued by the Company with the assistance of Bandag Inc., USA to develop improved tread quality and designs, which suit Indian road conditions.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption, adaptation and innovation
The Company being quality conscious, we continually update our technology, and greater emphasis is laid on indigenisation and cost reduction.
- Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.
Technology provided by Bandag has been considerably adapted and we continue to be in a position to offer our Indian customers a better and more qualitative range of services in the field of tyre retreading.
- Information regarding technology imported during last five years.
No technology, as such, has been imported during last five years.

ANNEXURE TO THE DIRECTORS' REPORT

Report on Corporate Governance

With effect from current year, your Company is required to comply with the conditions of the Corporate Governance forming a part of the listing Agreement. The Company has complied with all-applicable requirements as on 31st March 2003.

Company's Philosophy on code of Governance

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

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

Board of Directors

Composition of the Board

The Board of Directors is comprised of six directors, which includes one executive director and five non-executive directors.

Directors & their category	No. of Outside Directorship Held		No. of Outside Committees	
	Companies		Member	Chairman
	Public	Private		
Mr. Nand Khemka, Chairman, interested	4	9	Nil	Nil
Mr. S.L.Khemka, Non-Executive, interested	Nil	9	Nil	Nil
Mr. Mark Richter Thoeny, Non-Executive, interested	Nil	5	Nil	Nil
Mr. P.R.Khanna, Non-Executive, independent	3	2	6	3
Mr. R.Parameswar, Non-Executive, independent	2	Nil	1	1
Mr. K.K.Kapur, Whole-time Director, independent	1	Nil	1	1

Directors' interests in the Company

A Non-Executive Directors

Directors	Relationship with other Directors	Business relationship with the company, if any	Remuneration paid during 2002-2003 (Rs.)		
			Sitting fees	Salary & perks	Total
Mr. Nand Khemka	Brother of Mr. S.L.Khemka	Nil	18000	Nil	18000
Mr. S.L.Khemka	Brother of Mr. Nand Khemka	Nil	Nil	Nil	Nil
Mr. Mark Richter Thoeny	Nil	Nil	Nil	Nil	Nil
Mr. P.R.Khanna	Nil	Nil	48000	Nil	48000
Mr. R.Parameswar	Nil	Nil	24000	Nil	24000

Indag has a policy of not advancing any loans and not paying commission on profits to its non-executive/independent directors

No severance fee is payable to non- executive directors of the Company.

B. Whole Time Director

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during the year 2002-2003			
			All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. K.K.Kapur	Nil	Whole time Director	Rs. 6,28,229	Ref. note a	Ref. note b	Ref. Note c

- Performance Bonus is linked to the achievement of targets to be decided by the Board or Committee thereof. At Present no targets are fixed.
- The appointment is subject to termination by one-month notice in writing on either side. No other severance fee is payable. Mr. Kapur was re-appointed to the Board on 22nd May, 2002 for a period of one year, and he is again re-appointed for one year and 10 days i.e. upto 31st May 2004 with effect from 22nd May, 2003.
- The Company does not have any scheme for grant of Stock options to its Directors or Employees.

Attendance Record of the Directors

Four meetings of the Board of Directors were held in 2002 –2003 on 10.06.2002, 27.07.2002, 29.10.2002 and 17.01.2003. Agenda papers alongwith explanatory statements were circulated to the Directors in advance of each meeting. All relevant information as required under Clause 49 of the Stock Exchange Listing Agreement were placed before the Board from time to time. The members' attendance at the meetings were as follows:

DIRECTORS	Number of Board meetings attended	Attendance at the last AGM
Mr. Nand Khemka	4	Yes
Mr. S.L.Khemka	Nil	No
Mr. Mark Richter Thoeny	Nil	No
Mr. P.R.Khanna	4	Yes
Mr. R.Parameswar	4	Yes
Mr. K.K.Kapur	4	Yes

AUDIT COMMITTEE

The Audit Committee comprises of three Non-Executive Directors and details of the composition of the Committee are as follows:

Mr. R.Parameswar	- Chairman
Mr. P.R.Khanna	- Member
Mr. Mark Richter Thoeny	- Member

Of the above, Mr. R. Parameswar and Mr. P.R. Khanna as financial and accounting knowledge.

Mr. Rajeev Khanna, DGM (Finance) cum Company Secretary acts as the Secretary of the Committee.

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292 A of the Companies Act, 1956, besides other terms, as may be referred by the Board of Directors.

Four meetings of the Audit Committee were held in 2002 –2003 on 10.06.2002, 27.07.2002, 29.10.2002 and 17.01.2003. The members' attendance at the meetings were as follows:

DIRECTORS	Number of meetings attended
Mr. R.Parameswar	4
Mr. P.R.Khanna	4
Mr. Mark Richter Thoeny	Nil

REMUNERATION COMMITTEE

Indag does not have a remuneration Committee. No remuneration is paid to Non-Executive Directors except sitting fees for attending the Board Meetings and Committees thereof. Further, the Board of Directors determine the remuneration of the Whole time Director.

SHAREHOLDERS COMMITTEE

The share transfer and shareholders grievance committee is mandated to look into redressing of shareholders and investors grievances. Mr. Nand Khemka is Chairman of this committee.

The Board has designated Mr. Rajeev Khanna, Dy. General Manager (Finance) cum Company Secretary as the Compliance Officer. During the period, no grievance received from any shareholder.

GENERAL BODY MEETINGS

The dates, time and venue of the three previous Annual General Meetings held during the last three years are given below:

DATE	TIME	VENUE
21st AGM – 4th September, 2000	11:00 A.M.	The Air Force Auditorium, Subroto Park, New Delhi –110 010
22nd AGM – 16th August, 2001	11:00 A.M.	The Air Force Auditorium, Subroto Park, New Delhi –110 010
23rd AGM- 10th September, 2002	11:00 A.M.	The Air Force Auditorium, Subroto Park, New Delhi –110 010

No special resolutions were put through postal ballot in the last AGM. There is no immediate proposal to conduct the postal ballot exercise.

DISCLOSURES

During the financial year ended the 31st March, 2003 there were no materially significant related party transactions that may have potential conflict with the interests of Company at large.

The Company complied with all the statutory requirements comprised in the listing agreements/regulations/guidelines/rules of the Stock Exchanges/SEBI/other statutory authorities. No penalties were imposed nor any strictures were passed on any capital markets related matters during the last three years.

Means of Communication:

1. The Unaudited quarterly and Audited full year financial results are sent to the Stock Exchanges Delhi and Mumbai where the shares of the Company are listed. The results are also published in "The Pioneer" ; " The Financial Express" in English and "Veer Arjun" in Hindi.
2. The quarterly results and also the annual audited results are published in the Company's Website – www.indagrubber.com

Management discussion and analysis forms a part of the annual report.

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting :

Date and time	18th July, 2003 at 9.30 A.M
Venue	Dolly Farms & Resorts Pvt. Ltd., (near The Executive Club), 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030

Financial Calendar

Financial Reporting

For 1st quarter ending June 30, 2003	By end of July 2003
For half year ending September 30, 2003	By end of November 2003
For 3rd quarter ending December 31, 2003	By end of January 2004
For year ending March 31, 2004	By end of May 2004
Annual General Meeting for the year ending 31st March 2004	By end of September 2004

Date of Book Closure

Thursday, 3rd July, 2003-Friday 18th July, 2003 (Both days inclusive)

Listing on Stock Exchanges

The equity shares of the Company are listed at the following Stock Exchanges and annual listing fee for the year 2002-2003 has been paid to each of them:

1. The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
2. Delhi Stock Exchange Association Limited DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002

STOCK CODE

ISIN under-depository system	INE802D01015
The Stock Exchange, Mumbai	509162
The Delhi Stock Exchange	109033

The shares of your Company are tradable in electronic form also, and the Company had already established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares Dematerialized as on 31st March 2003:- 5,89,559

STOCK MARKET DATA

The equity shares of the company are not frequently traded on Stock Exchanges. The details of monthly High and Low price on Bombay Stock Exchange are given herein below:

Month	Monthly High Prices(Rs.)	Monthly Low Price (Rs.)
April 2002	—	—
May 2002	6.70	4.25
June 2002	4.80	4.00
July 2002	7.70	4.50
August 2002	7.95	7.00
September 2002	—	—
October 2002	—	—
November 2002	—	—
December 2002	7.00	7.00
January 2003	5.75	3.15
February 2003	3.30	2.50
March 2003	2.90	2.05

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

SHARE TRANSFER SYSTEM:

The request for share transfers, transmissions etc. were processed in-house by the Company till the time of appointment of Share Transfer Agents. Due to low volume of share transfers being received, the Share Transfer Committee of the Company considered the same once in a month. The average time taken for processing share transfer requests including dispatch of share certificates is 30 days.

The volume of shares transferred/Transmitted /Demated /Remated during the last financial year is as under:

Month	Demat		Remat		Transferred	Transmitted
	NSDL	CDSL	NSDL	CDSL		
April, 2002	900	—	—	—	800	—
May, 2002	2650	250	—	—	300	—
June, 2002	7100	—	—	—	—	—
July, 2002	5350	700	—	—	1850	—
August, 2002	15650	100	21	—	7800	350
Sept, 2002	8100	3100	55	—	600	200
October, 2002	2700	—	54	—	250	—
Nov, 2002	550	—	—	—	—	—
Dec, 2002	1000	200	70	—	650	—
January, 2003	4000	10	—	—	100	—
February, 2003	300	50	31	—	50	—
March, 2003	950	1750	20	1	400	—
TOTAL	49250	6150	261	1	12800	550

REGISTRAR & TRANSFER AGENTS

Pursuant to the regulation of SEBI, the Company has appointed M/s Skyline Financial Services Pvt. Ltd. 123, Vinoba puri, Lajpat Nagar -II, New Delhi -110 024 as Registrar and Share Transfer Agents in respect of its shares in Electronic/Physical form.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2003.

No. of equity Shares held	Shareholders		% of Shareholding	
	Number	% to total	Total (In Rs.)	% In total
Up to 2,500	4886	95.299	3233940	6.157
2,501 to 5,000	136	2.653	534500	1.018
5,001 to 10,000	39	0.761	298570	0.569
10,001 to 20,000	30	0.585	442500	0.843
20,001 to 30,000	8	0.156	208000	0.396
30,001 to 40,000	6	0.117	216500	0.412
40,001 to 50,000	4	0.078	180560	0.344
50,001 to 1,00,000	8	0.156	614000	1.170
1,00,001 & above	10	0.195	46771430	89.091
Total	5127	100.00	52500000	100.00

CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH 2003.

Category	No. of Shares held	% of shareholding
Indian Promoters	2040793	38.87
Foreign Promoters	2013000	38.34
UTI / Financial Institutions & Banks	349350	6.66
Body Corporates-Domestic	171950	3.27
NRI/Overseas Corporate Bodies (OCBs)	75200	1.43
Indian Public	570957	10.88
Foreign Nationals	28750	0.55
Total	5250000	100.00

PLANT LOCATION Plot No. Sp 86, Industrial Area Bhiwadi – 301019, Dist. Alwar, (Rajasthan)

INVESTORS' CORRESPONDANCE

For any assistance regarding Share Transfers, transmissions, change of address, duplicate/missing shares certificates and other relevant matters, please write to :

The Company Secretary
Indag Rubber Limited
11, Community Centre, Saket, New Delhi – 110 017
Email : Indag@vsnl.com Fax :- 011-26856350
Phone No.26963172, 26963173, 26863310, 26560298

AUDITORS' CERTIFICATE

To
The Members of Indag Rubber Limited

We have examined the compliance of conditions of corporate governance by **Indag Rubber Limited**, for the year ended on March 31, 2003, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

New Delhi
May 23, 2003

S.R. Batliboi & Co.
Chartered Accountants
Per
ANIL GUPTA
(Partner)

**AUDITORS' REPORT
TO THE MEMBERS OF INDAG RUBBER LIMITED**

We have audited the attached Balance Sheet of Indag Rubber Limited as at March 31, 2003 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, we report that, in our opinion, and to the best of our knowledge and belief and as per information and explanations furnished to us and the books and records examined by us in the normal course of audit:

1. The Company has maintained proper records of Fixed Assets showing quantitative details and situation thereof. As informed to us, physical verification of fixed assets have been carried out by the management during the year and the discrepancies observed on such verification, which were not material, have been properly dealt with in the books of account. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of assets.
2. None of the Fixed Assets of the Company has been revalued during the year.
3.
 - a) The stocks of finished goods, raw materials, packing materials, stores and spares have been physically verified by the management at reasonable intervals during the year.
 - b) The procedures followed by the management for such physical verification are, in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The discrepancies observed between physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
 - d) In our opinion, the valuation of such stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as followed in the previous year.
4. The Company has not taken/given any loans, secured or unsecured, from/to the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and from/to the companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
5. Advances in the nature of loans have been given to some of the employees which are being recovered as per the stipulations, wherever made, alongwith interest, wherever applicable.
6. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of raw materials, packing materials, stores and spares, plant and machinery, equipment and other assets and for sale of goods.
7. According to the information and explanations given to us, the transactions of purchase of goods and materials made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000 or more in respect of each party, have been made at prices which, in our opinion, are reasonable having regard to the prevailing market prices for such goods and materials and the Company's business needs and exigencies. However, the Company has not sold during the year goods and materials to the firms, Companies or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
8. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods including goods purchased for resale. Adequate provision for the loss arising on such items has been made in accounts.
9. The Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956 and the rules framed thereunder.

10. The Company has maintained reasonable records for the sale and disposal of its realisable scrap. The Company has no by-products.
11. The Company has an adequate internal audit system commensurate with the size and the nature of its business.
12. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
13. The Company has been regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
14. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Sales-Tax, Customs-duty and Excise-duty outstanding as at March 31, 2003 for a period exceeding six months from the date they become payable.
15. The Company has a policy of authorizing expenditure based on reasonable checks and controls. This policy is intended to ensure that expenses are authorized on the basis of contractual obligations or accepted business practices having regard to its business needs and exigencies. In terms of these observations, we have not come across any expenses charged to the revenue account, which, in our opinion and judgement and to the best of our knowledge and belief, could be regarded as personal expenses.
16. The Company is not a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

We also report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of these books.
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
- iv) In our opinion, the attached Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the Directors as on March 31, 2003 and taken on record, we report that none of the Directors is disqualified as on March 31, 2003 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts read with the notes appearing in the Schedule 15, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2003, and
- (ii) in the case of Profit and Loss Account, of the loss of the Company for the year ended on that date.
- (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

S.R. Batliboi & Co.
Chartered Accountants
Per

ANIL GUPTA
(Partner)

New Delhi
May 23, 2003

BALANCE SHEET AS AT 31ST MARCH, 2003

(Rs. in lacs)

	Schedule	As at 31st March, 2003	As at 31st March, 2002
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	525.00	525.00
Reserves & Surplus	2	472.22	472.22
		<u>997.22</u>	<u>997.22</u>
Loan Funds			
Secured Loans	3	431.20	406.03
TOTAL		<u>1,428.42</u>	<u>1,403.25</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	1,250.66	1,243.34
Less : Depreciation		927.70	895.82
Net Block		322.96	347.52
Capital Work in Progress		0.54	1.07
		<u>323.50</u>	<u>348.59</u>
Current Assets, Loans & Advances			
Inventories	5	484.68	532.90
Sundry Debtors	6	516.49	538.46
Cash & Bank Balances	7	168.20	134.31
Interest Accrued on Deposits and Others		11.01	9.00
Loans & Advances	8	139.33	113.08
		<u>1,319.71</u>	<u>1,327.75</u>
Less : Current Liabilities & Provisions	9	511.47	510.10
Net Current Assets		<u>808.24</u>	<u>817.65</u>
Deffered Tax Assets		163.14	144.36
Debit Balance as per attached			
Profit & Loss Account		133.54	92.65
TOTAL		<u>1,428.42</u>	<u>1,403.25</u>
Accounting Policies and Notes to the Accounts	15		

In terms of our attached report of even date

S.R. Batliboi & Co.
Chartered Accountants
PerRajeev Khanna
DGM Finance cum Company SecretaryK. K. Kapur
CEO & Whole Time Director(Anil Gupta)
Partner
New Delhi
May 23, 2003Nand Khemka
Chairman

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

(Rs. in lacs)

	<i>Schedule</i>	<i>Year Ended March, 2003</i>	<i>Year Ended March, 2002</i>
INCOME			
Sales and Services	10	2,670.54	2,305.42
Less: Excise Duty on Sales		<u>365.12</u>	<u>292.55</u>
Other Income	11	20.62	23.58
		<u>2,326.04</u>	<u>1,890.73</u>
EXPENDITURE			
Materials	12	1,432.14	1,113.40
Manufacturing and other Expenses	13	850.10	889.25
		<u>2,282.24</u>	<u>2,002.65</u>
Profit/(Loss) Before Financial Expenses, Depreciation and Taxes		43.80	(111.92)
Finance Expenses	14	60.50	58.97
(Loss) Before Depreciation and Taxes		(16.70)	(170.89)
Depreciation		42.97	48.23
(Loss) Before Taxes		(59.67)	(219.12)
Deffered Tax Assets		18.78	81.30
Excess Provision for Income Tax Written Back		-	16.87
Loss for the year		(40.89)	(120.95)
(Debit)/Credit Balance brought forward from previous year		(92.65)	28.30
Deficit Carried to Balance Sheet		(133.54)	(92.65)
Earnings per share (Amount in Rs.)		(0.78)	(2.30)
Accounting Policies and Notes to the Accounts	15		

In terms of our attached report of even date

S.R. Batliboi & Co.
Chartered Accountants
Per

(Anil Gupta)
Partner
New Delhi
May 23, 2003

Rajeev Khanna
DGM Finance cum Company Secretary

K. K. Kapur
CEO & Whole Time Director

Nand Khemka
Chairman

SCHEDULE 1 : SHARE CAPITAL

(Rs. in lacs)

	As at 31st March, 2003	As at 31st March, 2002
AUTHORISED		
7,000,000 Equity Shares of Rs. 10 each	<u>700.00</u>	<u>700.00</u>
ISSUED, SUBSCRIBED & PAID UP		
5,250,000 Equity Shares of Rs. 10 each fully paid-up	<u>525.00</u>	<u>525.00</u>

SCHEDULE 2 : RESERVES AND SURPLUS

	As at 31st March, 2003	As at 31st March, 2002
Capital Reserve		
Central Cash Subsidy	15.00	15.00
Shares Forfeited	0.29	0.29
Share Premium Account	450.00	450.00
Investment Allowance Reserve	6.93	6.93
	<u>472.22</u>	<u>472.22</u>

SCHEDULE 3 : SECURED LOANS

	As at 31st March, 2003	As at 31st March, 2002
Term Loan from a Bank		24.06
Car Finance Loan from Banks and Body Corporate	11.18	15.05
Loans from Banks against FDRs	83.76	70.56
Cash Credit Borrowings from Banks	336.26	296.36
	<u>431.20</u>	<u>406.03</u>

NOTES:

- 1 Cash Credit Borrowings from Banks are secured by a first charge over all the immovable properties, both present & future, ranking parri passu and hypothecation of all movable and other assets of the Company. These Borrowings are further secured by the personal guarantee of a Director of the Company.
- 2 Loans from Banks against Fixed Deposits are secured by way of pledge of Fixed Deposit Receipts of Rs. 93.38 lacs.
- 3 Car Finance Loans are secured by hypothecation of Vehicles financed out of the proceeds of loan.
- 4 Installments of Car Finance Loans and Loans from Banks against Fixed Deposits repayable within one year Rs. 87.64 lacs (Previous Year Rs. 26.82 lacs).

SCHEDULE 4 : FIXED ASSETS

(Rs. in lacs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 01-Apr-02	Additions during the year	Deductions/ adjustments during the year	Cost as at 31-Mar-03	Upto 31-Mar-02	Provided during the year	Deductions/ adjustments during the year	Upto 31-Mar-03	As at 31-Mar-02
Leasehold Land	4.82	-	-	4.82	0.91	0.05	-	0.96	3.86
Buildings	167.24	-	-	167.24	86.40	5.17	-	91.57	75.67
Plant & Machinery	964.51	22.44	5.62	981.33	736.71	28.20	1.30	763.61	217.72
Furniture & Fixtures	23.93	0.17	1.08	23.02	22.41	0.45	1.05	21.81	1.21
Office Equipment	50.87	2.29	4.74	48.42	38.63	4.06	4.33	38.36	10.06
Vehicles	31.97	-	6.14	25.83	10.76	5.04	4.41	11.39	14.44
Total	1,243.34	24.90	17.58	1,250.66	895.82	42.97	11.09	927.70	322.96
Capital Work in Progress:									
Plant & Machinery	1.07	0.54	1.07	0.54	-	-	-	-	0.54
Grand Total	1,244.41	25.44	18.65	1,251.20	895.82	42.97	11.09	927.70	348.59
Previous Year	1,220.19	41.64	17.42	1,244.41	859.30	48.23	11.71	886.82	348.59

Notes :- Fixed Assets of the cost of Rs. 8.22 lacs, WDV of Rs. 1.54 lacs (Previous year Rs. 10.96 lacs and Rs. 4.46 lacs respectively), have been discarded during the year.

SCHEDULE 5 : INVENTORIES

(As taken, valued and certified by the Management)

(Rs. in lacs)

	As at 31st March, 2003	As at 31st March, 2002
Raw Materials including Retreading Equipment & Components	117.38	127.18
Packing material	2.70	3.63
Stores & spares	33.97	36.58
Work in progress	21.84	25.30
Finished goods & other materials	308.79	340.21
	484.68*	532.90

*Net of provision for obsolescence on non-moving stock amounting to Rs. 30.01 lacs.

SCHEDULE 6 : SUNDRY DEBTORS

(Unsecured, Considered Good except where otherwise stated)

	As at 31st March, 2003	As at 31st March, 2002
Due for more than six months (including Rs. 123.11 lacs Previous year Rs. 98.57 lacs considered doubtful and provided for)	154.33	166.86
Other Debts (including Rs. 4.02 lacs, Previous year Rs. 6.55 lacs considered doubtful and provided for)	489.29	476.72
	643.62	643.58
Less : Provision for Doubtful Debts	127.13	105.12
	516.49	538.46

SCHEDULE 7 : CASH & BANK BALANCES

	As at 31st March, 2003	As at 31st March, 2002
Cash in hand (Including cheques in hand/under collection Rs. 59.18 lacs, Previous year Rs. 32.88 lacs)	59.87	33.44
Balances with Scheduled Banks in :		
- Current Accounts	2.23	0.45
- Fixed Deposits Accounts (Receipts pledged with Banks)	106.06	100.38
In Post Office Savings Bank Account (Pass Book pledged with Excise Authorities)	0.04	0.04
	168.20	134.31

SCHEDULE 8 : LOANS & ADVANCES

(Unsecured, Considered Good except where otherwise stated)

(Rs. in lacs)

	As at 31st March, 2003	As at 31st March, 2002
Loans to Staff	7.95	7.43
Advances Recoverable in Cash or in Kind or for Value to be Received (including Rs. 8.36 lacs, Previous year Rs. 2.72 lacs considered doubtful and provided for)	51.78	26.74
Claims & Refunds Receivable	9.31	18.51
Balance with Excise Authorities	24.76	9.11
Sundry Deposits (Including Rs. 1.10 lacs, Previous year Rs. NIL considered doubtful and provided for)	48.79	50.26
Advance Payment of Tax/Income Tax Deducted at Source/Refund Receivable	6.20	3.75
	148.79	115.80
Less : Provision for Doubtful Advances	9.46	2.72
	139.33	113.08

SCHEDULE 9 : CURRENT LIABILITIES & PROVISIONS

	As at 31st March, 2003	As at 31st March, 2002
A) CURRENT LIABILITIES		
Sundry Creditors for Goods, Services & Expenses, etc.	437.89	416.88
Advances From Customers	49.07	57.75
Sundry Deposits	17.61	25.76
	504.57	500.39
B) PROVISIONS		
For Retirement Benefits	6.90	9.71
	511.47	510.10

SCHEDULE 10 : SALES AND SERVICES

	Year Ended March, 2003	Year Ended March, 2002
Sales of Finished Goods & Services	2,680.38	2,165.96
Less: Discounts, Claims, Incentives etc.	9.84	6.26
	2,670.54	2,159.70

**SCHEDULE 11 : OTHER INCOME**

(Rs. in lacs)

	Year Ended March, 2003	Year Ended March, 2002
Unspent Liabilities Written Back	0.10	9.96
Recovery of Bad Debts written off in earlier years	2.52	0.56
Foreign Exchange Fluctuation (Net)	0.87	-
Miscellaneous Receipts	17.13	13.06
	20.62	23.58

SCHEDULE 12 : MATERIALS

	Year Ended March, 2003	Year Ended March, 2002
Raw Materials including Retreading Equipment & Components (including Bought Out Equipment & Components for Sale)		
Opening Stock	127.18	227.15
Add : Purchases	1,348.60	1,008.38
	1,475.78	1,235.53
Less : Closing Stock	117.38	127.18
	1,358.40	1,108.35
Packing Materials Consumed	20.13	18.24
Other Materials - Purchases	18.73	21.97
	(A) 1,397.26	1,148.56
(Increase)/Decrease in Stocks of Finished Goods & Other Materials and Work-in-Process		
i) Opening Stock		
a) Finished Goods & Other Materials	340.21	312.66
b) Work-in-Process	25.30	17.69
	(i) 365.51	330.35
ii) Closing Stock		
a) Finished Goods & Other Materials	308.79	340.21
b) Work-in-Process	21.84	25.30
	(ii) 330.63	365.51
	B(i-ii) 34.88	(35.16)
TOTAL (A+B)	1,432.14	1,113.40

SCHEDULE 13 : MANUFACTURING AND OTHER EXPENSES

(Rs. in lacs)

	Year Ended March, 2003	Year Ended March, 2002
Salary, Wages & Bonus	244.43	220.05
Contribution to Provident and other Funds	25.83	23.97
Employees Welfare Expenses	14.14	14.99
Consumption of Stores	21.66	23.29
Power, Fuel, Electricity & Water Charges	177.21	206.44
Excise Duty on Stocks	(6.72)	2.60
Machinery Repairs	39.04	45.32
Building Repairs	0.74	5.39
Other Repairs	5.03	7.98
Rent	35.52	38.35
Rates & Taxes	8.52	7.17
Insurance	10.55	10.45
Managerial Remuneration (Refer Note No. B7 of Schedule 15)	6.28	6.45
Vehicle Running & Maintenance (including Vehicle Hire Charges Rs. 2.22 lacs, Previous year Rs. 3.14 lacs)	6.07	10.66
Travelling & Conveyance	71.06	59.48
Auditors Remuneration		
- As Audit Fees	2.63	2.63
- For Certificates etc.	0.68	0.68
- For Taxation Matters	-	0.77
- For Expenses	0.10	0.12
Directors Meeting Fees	0.90	0.57
Freight & Cartage	44.24	29.95
Advertisement & Publicity	11.70	5.81
Legal & Professional Charges	21.59	19.46
Donations	-	0.09
Postage & Telephones	22.42	22.56
Security and Other Services Charges	12.42	15.85
Loss on Disposal of Fixed Assets (Net)	0.61	4.55
Prior Period Adjustments (Net)	-	3.44
Loss on Sale of Raw Material	-	12.93
Irrecoverable Balances Written Off (Net)	13.10	5.78
Provision for Doubtful Debts/Advances	28.75	50.77
Miscellaneous Expenses	31.60	30.70
	850.10	889.25

SCHEDULE 14: FINANCE EXPENSES

	Year Ended March, 2003	Year Ended March, 2002
Interest on Term Loans and Car Finance Loans	3.64	13.88
Interest to Banks and Others	61.74	53.09
	65.38	66.97
Less : Interest Income (Gross, Income Tax Deducted at Source Rs.2.04 lacs, Previous year Rs. 0.07 lacs)	15.21	15.07
	50.17	51.90
Foreign Exchange Fluctuation (Net)	-	0.67
Other Finance Expenses	10.33	6.40
	60.50	58.97

SCHEDULE 15: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES****1) Basis of Accounting**

The Accounts of the Company are prepared under the historical cost convention and in accordance with applicable Accounting Standards except where otherwise stated.

For recognition of income and expenses, Mercantile System of Accounting is followed except in the following cases where income/expenses are accounted for on receipt/payment basis on account of uncertainties:

- a) Claims lodged with Insurance Company but not settled
- b) Interest on delayed payments and cheque bouncing charges receivable from customers.

2) Revenue Recognition

Revenues from the sale of manufactured/bought out goods/equipment are recognised upon dispatch of the same to the customers. However, the property in the goods passes to the customers only on their conveying the acceptance of goods or equipment in writing to the Company or on their retaining the goods for seven days and equipment for fifteen days after receipt, without giving notice of rejection or returning the same.

3) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

4) Depreciation

Depreciation for the year on Buildings and Plant & Machinery has been provided on Straight Line Method as per rate prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on all other fixed assets has been provided on Written Down Value Method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on the amount of exchange rate variation capitalised in respect of foreign currency loans taken for acquisition of fixed assets is provided over the remaining useful lives of the assets.

Depreciation on capitalisation of Insurance Spares is provided retrospectively from the date the related/ mother assets are put to use.

5) Foreign Currencies

Transactions arising in foreign currencies during the year are converted at the rates closely approximating those ruling on the transaction dates. Liabilities/Assets in foreign currencies are restated at year-end exchange rates.



All exchange differences arising from such conversion are included in the Profit & Loss Account except exchange differences on liabilities for purchase of Fixed Assets, which are adjusted to the carrying cost of respective Assets.

6) Inventories

- a) Inventories are valued as follows:
 - i) Raw Materials including Retreading Equipment & Components, Packing material and Stores & Spares - at cost or net realisable value, whichever is lower.
 - ii) Work in Process - at estimated cost or net realisable value whichever is lower.
 - iii) Finished Goods and Other Materials - at cost or market rate whichever is lower.
- b) Cost of Raw Materials including Retreading Equipment & Components, Packing material and Stores & Spares is determined on First in First out Basis.
- c) Cost of Finished Goods and Work in Process is determined by considering material, labour and related overheads including depreciation.
- d) Provision for obsolescence in inventories is made wherever required.

7) Excise Duty

Excise Duty on manufactured goods is paid on clearance but is accounted for in the books on accrual basis. Accordingly, provision for excise duty is made in the accounts for goods manufactured and lying in the Bonded Store Rooms within the factory premises.

8) Retirement Benefits

- a) Contribution to Gratuity Fund is made as per Company's Scheme and is equivalent to payments made/to be made by the said fund to Life Insurance Corporation of India based on actuarial valuation.
- b) Provision for leave encashment benefits of employees is made on the basis of actuarial valuation.

9) Income Taxes

Provision is made for current Income Tax liability estimated to arise on the results for the year at the current rate of tax in accordance with Income Tax Act, 1961.

Deferred Income Tax is provided, using the liability method, on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose.

Deferred tax assets are not recognised, unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.

Deferred Tax Assets and Liabilities are measured using the tax rates and the tax law that have been enacted or subsequently enacted at the Balance Sheet date.

B. NOTES TO THE ACCOUNTS

1. Contingent Liabilities (not provided for) in respect of :-
 - a) Counter Guarantees issued to the Banks against Guarantees issued by them on behalf of the Company Rs. 2.60 lacs (Previous year Rs. 18.14 lacs).
 - b) Sales Tax Demands of Rs. 10.87 lacs (Previous year Rs. 7.49 lacs), being disputed by the Company.
 - c) Claims against the Company not acknowledged as Debts Rs.1.45 lacs (Previous year Rs.1.45 lacs).
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 3.10 lacs (Previous year Rs. 4.90 lacs).



3. Sundry Creditors include Rs.7.51 lacs (Previous year Rs. 3.78 lacs) payable to Small Scale and Ancillary Industrial Undertakings to the extent such parties have been identified from the available documents/information. No amount was outstanding for more than 30 days.

Earning per Share (EPS):	31 st March 2003	31 st March 2002
Net Loss as per Profit & Loss Account (Rs. In lacs)	(40.89)	(120.95)
No. of Equity Share	5250000	5250000
Basic & diluted earning per Share (Rs.)	(0.78)	(2.30)

5. Related Party Disclosure

Key Management Personnel	:	Mr. Nand Khemka (Chairman)
	:	Mr. K.K.Kapur (Whole Time Director)
Other Parties which significantly influence/are influenced by the Company (either individually or with others)	:	Bandag Incorporated, USA
	:	Unipatch Rubber Limited
	:	Khemka Aviation Pvt. Limited

^u(Rs.in lacs)

Particulars	Key Management Personnel		Other parties which significantly influence/are influenced by the Company (either individually or with others)	
	2003	2002	2003	2002
A) Transactions				
1. Purchase of Raw Materials, Stores, Spares and Packing Materials.	-	-	17.40	15.73
2. Rent / Service Charges Paid.	-	-	24.68	27.88
3. Sales of Finished & Other Goods.	-	-	0.26	1.09
4. Prior Period Adjustments	-	-	-	3.44
5. Foreign Exchange Flucuation (gain)			0.09	-
6. Balance outstanding at the year end :-				
- Personal Guarantee given by Directors	336.26	320.42	-	-
- Receivables	-	-	11.90**	12.69**
- Payables	-	-	30.53	29.12
B) Remuneration to				
- Whole Time Directors	6.29*	6.45*	-	-

* Excluding contribution to gratuity fund and provision for leave encashment.

** Include Rs 10.58 lacs (Previous year Rs. 10.88 lacs) towards Security Deposit for hiring of Office Premises (Refundable on termination of lease as per lease agreement) given to a Private Company, in which one of the Directors is interested as Director.

6. Deferred Tax Assets (Net)

(a) Deferred Tax Assets of Rs 18.78 lacs arising on account of temporary differences for the current year have been adjusted in the Profit & Loss Account.

(b) Calculation of Deferred Tax Assets (net) as on 31st March, 2003 and 31st March, 2002 is as given below:

	31 March, 2003		31 March, 2002	
	(Rs. in Lacs)		(Rs. in Lacs)	
a) Deferred Tax Assets				
Arising on account on timing differences in:				
- Provision for Doubtful Debts & Advances	46.34		39.63	
- Accrued Expenses allowable on Actual Payments	2.33		1.22	
- Carry forward Business Losses/Unabsorbed Depreciation	161.92		149.67	
		210.59		190.52
b) Deferred Tax Liabilities				
Arising on account on timing differences in:				
- Depreciation	47.45		46.16	
		47.45		46.16
Deferred Tax Assets (Net)		163.14		144.36

(c) The Company on the basis of projections expects to generate sufficient taxable income in the coming years which will enable it to utilise the carried forward business losses and unabsorbed depreciation.

7. Details of Managerial Remuneration

(Rs. in lacs)

	Current Year	Previous Year
I. Ex-Whole Time Director		
Salary	-	1.01
Contribution to Provident Fund	-	0.12
Perquisites	-	0.41
Sub-Total	-	1.54*
II. Present-Whole Time Director		
Salary	3.36	2.84
Contribution to Provident Fund	0.40	0.34
Perquisites	2.53	1.73
Sub-Total	6.29*	4.91*
Grand Total	6.29	6.45

*Excluding contribution to gratuity fund and provision for leave encashment.

8. Segment Information

The Company is engaged in the manufacturing of the Precured Tread Rubber, Bonding Repair and Extrusion Gum and Rubber Cement which are used for fixing on the old used tyres and thus has only one business segment.

9. Previous year figures have been regrouped/rearranged wherever necessary.

10. Additional information pursuant to provisions of paragraphs 3 & 4 of Part II of Schedule VI to the companies Act, 1956 is as under :-

I) Capacity (on annual basis)

	Unit	Licensed Capacity	Installed Capacity
Precured Tread Rubber (Synthetic Tread Material)	Tonnes	6,000 (6,000)	3,500 (3,500)
Bonding Repair & Extrusion Gums (Including Envelopes & Patches)	Tonnes	1,150 (1,150)	1,150 * (1,150) *
Rubber Cement	K. Ltrs.	300 (300)	300 (300)
Tyre Retreading Equipment	Sets	15 (15)	15 (15)

* Subject to installation of balancing equipment.

II) Production, Purchase, Turnover & Stocks

(Rs. in lacs)

	Unit	Opening Stock		Production Purchase		Gross turnover		Closing Value	
		Qty.	Value	Qty.	Value	Qty.*	Value	Qty.*	Value
Precured Tread Rubber	Tonnes	365.11 (318.63)	290.95 (247.41)	2431.18 (2,016.32)	— (—)	2,476.39 (1,960.03)	2,281.09 (1,780.09)	306.98 (365.11)	245.65 (290.95)
Bonding Repair & Extrusion Gum	Tonnes	18.04 (21.49)	15.00 (20.03)	209.82 (192.75)	— (—)	196.02 (196.52)	204.52 (209.87)	29.55 (18.04)	23.83 (15.00)
Rubber Cement	K.Ltrs	6.06 (12.87)	2.37 (5.18)	129.25 (94.20)	— (—)	105.21 (81.79)	48.46 (35.85)	10.88 (6.06)	3.45 (2.37)
Miscellaneous (including Retreading Equipment, Components & Patches)	— (—)	— (—)	31.89 (40.04)	— (—)	18.73 (21.97)	— (—)	146.31 ** (140.15) **	— (—)	35.87 (31.89)
			340.21 (312.66)		18.73 (21.97)		2,680.38 (2,165.96)		308.79 (340.21)

* Excludes Captive Consumption (including shortages, samples, replacements, damages etc.) as under:

Precured Tread Rubber	Tonnes	12.92 (9.81)
Bonding Repair & Extrusion Gum	Tonnes	2.29 (-0.33)
Rubber Cement	K.Ltrs.	19.22 (19.22)

** Includes sales value of some items, the purchases whereof have been booked to raw materials & components consumption.

III) Consumption of Raw-Materials & Components

	UNIT	QUANTITY	VALUE
Rubber	Tonnes	1,415.657 (1,288.557)	680.66 (524.69)
Carbon Black	Tonnes	830.043 (671.195)	325.55 (279.03)
Chemicals			212.15 (186.62)
Others			140.04 (118.01)
			1,358.40 (1,108.36)

IV) Value of Imported/Indigenous Raw-Material & Components, Stores and Spares consumed

	INDIGENOUS VALUE	%	IMPORTED VALUE	%
Raw Materials & Components	1,331.98 (1,028.78)	98.06 (92.82)	26.42 (79.58)	1.94 (7.18)
Packing Materials	20.12 (18.24)	100.00 (100.00)	0.00 (0.00)	0.00 (0.00)
Stores & Spares (Including Charged to Machinery Repairs)	51.91 (59.90)	95.58 (96.85)	2.40 (1.95)	4.42 (3.15)

V) CIF Value of Imports (On Accrual Basis)

	(Rs. in lacs)
Raw Materials & Components	12.92 (26.79)
Spares	1.09 (4.52)
Finished Goods	- (2.39)

VI) Expenditure in Foreign Currency (on Accrual Basis)

Miscellaneous Matters	0.63 (-)
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VII) Earnings in Foreign Exchange

FOB Value of Exports	1.18 (1.26)
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Note : Previous year figures have been given in brackets.

In terms of our attached report of even date

S.R.Batliboi & Co.
Chartered Accountants
Per

Rajeev Khanna
DGM Finance cum Company Secretary

K. K. Kapur
CEO & Whole Time Director

(Anil Gupta)
Partner
New Delhi
May 23, 2003

Nand Khemka
Chairman

ADDITIONAL INFORMATION AS REQUIRED UNDER PART-IV OF SCHEDULE-VI TO THE COMPANIES ACT,1956.
 Balance Sheet Abstract and Company's General Business Profile.

I. **Registration Details**
 Registration No. State Code
 Balance Sheet Date
 Date Month Year (Refer Code List)

II. **Capital raised during the year (Amount in Rs. Thousands)**
 Public Issue Rights Issue Bonus Issue Private Placement

III. **Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)**
 Total Liabilities Total Assets

Sources of Funds
 Paid-up Capital Reserves & Surplus Secured Loans Unsecured Loans

Application of Funds
 Net Fixed Assets Investment Net Current Assets Misc. Expenditure
 Accumulated losses

IV. **Performance of Company (Amount in Rs. Thousands)**
 Turnover (including Other Income) Total Expenditure
 +/- Profit/Loss before Tax +/- Profit/Loss after Tax

Earning per Share in Rs. Dividend Rate %

V. **Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description

Rajeev Khanna
 DGM Finance cum
 Company Secretary

K. K. Kapur
 CEO &
 Whole Time Director

Nand Khemka
 Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003

(Rs. in lacs)

	2002-03	2001-02
A CASH FLOW FROM OPERATING ACTIVITIES		
NET (LOSS) BEFORE TAX & EXTRAORDINARY ITEMS	(59.67)	(219.13)
ADJUSTMENTS FOR :		
- DEPRECIATION	42.97	48.23
- LOSS ON DISPOSAL OF FIXED ASSETS (NET)	0.61	4.55
- INTEREST EXPENSES	65.38	66.97
- INTEREST INCOME	(15.22)	(15.07)
OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES	34.07	(114.44)
ADJUSTMENTS FOR :		
- TRADE AND OTHER RECEIVABLES	(1.83)	55.97
- INVENTORIES	51.44	68.74
- TRADE AND OTHER PAYABLES	1.37	(10.26)
CASH GENERATED FROM OPERATIONS	85.05	0.01
- DIRECT TAXES REFUND/(PAID)	(2.45)	36.24
NET CASH GENERATED FROM OPERATING ACTIVITIES BEFORE EXTRAORDINARY ITEMS	82.60	36.25
- EXTRA ORDINARY ITEMS	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	82.60	36.25
B CASH FLOW FROM INVESTING ACTIVITIES		
- PURCHASE OF FIXED ASSETS	(24.38)	(41.64)
- SALE OF FIXED ASSETS	2.66	1.16
- INTEREST RECEIVED	13.21	7.99
NET CASH USED IN INVESTING ACTIVITIES (B)	(8.51)	(32.49)
C CASH FLOW FROM FINANCING ACTIVITIES		
- NET (REPAYMENT) OF LONG TERM BORROWINGS	(14.72)	(11.89)
- NET PROCEEDS OF SHORT TERM BORROWINGS	39.90	80.52
- INTEREST PAID	(65.38)	(66.97)
NET CASH USED IN/FROM FINANCING ACTIVITIES (C)	(40.20)	1.66
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	33.89	5.42
CASH AND CASH EQUIVALENTS AS AT 1st APRIL, 2002 (OPENING BALANCE)*	134.31	128.89
CASH AND CASH EQUIVALENTS AS AT 31st MARCH, 2003 (CLOSING BALANCE)*	168.20	134.31

* As per Schedule 7 of the Balance Sheet

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as stated in Accounting Standard 3 on Cash Flow Statement.

In terms of our attached report of even date

S.R. Batliboi & Co.
Chartered Accountants
PerRajeev Khanna
DGM Finance cum Company SecretaryK. K. Kapur
CEO & Whole Time Director(Anil Gupta)
Partner
New Delhi
May 23, 2003Nand Khemka
Chairman

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 18TH JULY, 2003

Name of Directors	Shri K.K.Kapur		
Date of Birth	15 th October 1937		
Date of Appointment	22 nd May 2001		
Expertise in specific Functional areas	Financial & General Management		
Qualification	1. Post Graduate (Mathematics)		
	2. Cost Accountant		
List of outside Directorship held	1. Neelanchal Ispat Ltd.		
Chairman/Member of the Committee of the Board of Directors of company	Neelanchal Ispat Limited	Audit Committee	Chairman
	Neelanchal Ispat Limited	Project Implementation Review Committee	Member
	Indag Rubber Limited	Share Transfer, shareholders Grievances Committee	Member
Name of Directors	Shri R. Parameswar		
Date of Birth	17 th May 1933		
Date of Appointment	27 th April 1993		
Expertise in specific Functional areas	Financial & General Management		
Qualification	1. Post Graduate (History)		
	2. Indian Audit and Accounts Service		
List of outside Directorship held	1. Universal Print System Ltd		
	2. Sunair Hotels Ltd.		
Chairman/Member of the Committee of the Board of Directors of company	Indag Rubber Limited	Audit Committee	Chairman
	Sunair Hotels Limited	Audit Committee	Chairman
	Universal Print System Ltd	Audit Committee	Member
Name of Directors	Shri P.R.Khanna		
Date of Birth	27 th March 1933		
Date of Appointment	8 th September 1983		
Expertise in specific Functional areas	Chartered Accountant		
Qualification	Chartered Accountant		
List of outside Directorship held	1. ORG-MARG Research Ltd.		
	2. Select Holiday Resorts Limited		
	3. State Bank of India		
	4. India Performance Fund Ltd. (Mauritius)		
Chairman/Member of the Committee of the Board of Directors of company	1. Indag Rubber Ltd.	Share Transfer, shareholders Grievances Committee	Member
	2. Indag Rubber Ltd.	Audit Committee	Member
	3. State Bank of India	Audit Committee	Chairman
	4. State Bank of India	Executive Committee of Board	Member
	5. State Bank of India	Asset Liability management Committee	Member
	6. State Bank of India	Share Transfer, shareholders Grievances Committee	Chairman
	7. State Bank of India	Local Board	Chairman
	8. Select Holiday Resorts	Audit Committee	Member
	9. Select Holiday Resorts	Share Transfer Committee	Member
	10. Asset Reconstruction Company (India) Ltd.	Audit Committee	Member
	11. Asset Reconstruction Company (India) Ltd.	Executive Committee of the Board	Member

Indag Rubber LimitedRegd. Off. 11, Community Centre,
Saket, New Delhi-110017**Proxy Form**

Regd. Folio No. _____

No. of Shares _____

I/We _____

R/o _____

being a _____

Member(s) of Indag Rubber Limited hereby appoint _____

R/o _____

or failing him _____

as my/our Proxy to attend for me/us and to vote on my/our behalf at the 24th Annual General Meeting of the Company to be held on Friday 18th July, 2003 at Dolly Farms & Resorts Pvt. Ltd., (near The Executive Club), 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 and at adjournment(s) thereof.

signed this _____ day of _____ 2003

Proxy Signature _____ Member(s) Signature(s) _____

Note : * The proxy must be submitted so as to reach at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. * The Proxy need not be a member.

Indag Rubber LimitedRegd. Off. 11, Community Centre,
Saket, New Delhi-110017**Attendance Slip**

Regd. Folio No. _____

DP ID & Client ID Number _____

DP Name _____

No. of Shares _____

I hereby record my presence at the 24th General Meeting of the Company on Friday 18th July, 2003 at Dolly Farms & Resorts Pvt. Ltd., (near The Executive Club), 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 and at adjournment(s) thereof.

Name _____

(Signature of Member/Proxy Present)

Note : * Please handover this attendance slip duly signed as Member or Proxy, as the case may be at the attendance registration counter at the meeting. * Members are requested to bring this attendance slip alongwith them to the meeting. No duplicate attendance slip will be issued at the time of meeting.

Indag Rubber LimitedRegd. Off. 11, Community Centre,
Saket, New Delhi-110017**Entry Pass**

Folio No./DP ID & Client ID Number _____

Name _____

(Authorised Signature with Rubber Stamp)

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

No gift/coupon will be distributed at the meeting.



INDIA'S MOST TRUSTED RETREAD

Indag Rubber Limited

A Joint Venture with Bandag Inc., U.S.A.

11, Community Centre, Saket, New Delhi-110017