

BOOK-POST



8-2-594/1/A/1, Opp. Hotel Taj Krishna, Banjara Hills,
Road No.1, Hyderabad – 500 034. Telangana
e-mail : info@vamshirubber.org
Website : www.vamshirubber.org

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MILES & MILES ... OF SUCCESS

**20th Annual Report
2013-2014**

BOARD OF DIRECTORS :

- 1) Sri M. Ramesh Reddy, Chairman
- 2) Sri R. Surendra Reddy, Managing Director
- 3) Sri P. Varun kumar, Director – Finance
- 4) Sri K. V. Sarma, Director – Operations
- 5) Sri S. Ramachandra Prasad, Director
- 6) Sri A. Vamsheedhar Reddy, Director
- 7) Sri A. Venkat Reddy, Director
- 8) Sri N. Sandeep Kumar Reddy, Director

REGISTERED OFFICE :

CIN : L25100TG1993PLC016634
 8-2-594/1/A/1, Opp. Hotel Taj Krishna,
 Banjara Hills, Road No.1,
 Hyderabad – 500 034
 Phone : 040-23353280 /23353281
 Fax : 040-23353282
 Email: info@vamshirubber.org

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.

BANKERS :

State Bank of India,
 Commercial Branch,
 Bank Street, Kothi,
 Hyderabad – 500 095.

FACTORY :

Survey No. 312/E, Lingojigudem Village,
 Choutuppal Mandal,
 Nalgonda District - 508 252,
 Telangana

STATUTORY COMMITTEES

Audit Committee

Sri A. Venkat Reddy, Chairman
 Sri A. Vamsheedhar Reddy, Member
 Sri S. Ramachandra Prasad, Member

Remuneration Committee

Sri S. Ramachandra Prasad, Chairman
 Sri A. Venkat Reddy, Member
 Sri A. Vamsheedhar Reddy, Member

Share Holders / Investors

Grievance Committee

Sri. P. Varun Kumar, Chairman
 Sri A. Vamsheedhar Reddy, Member
 Sri A. Venkat Reddy, Member
 e-mail : grievance@vamshirubber.org

Registrars & Share Transfer Agent

CIL SECURITIES LIMITED
 214, Raghava Ratna Towers
 Chirag Ali Lane, Abids,
 Hyderabad - 500 001.
 Phone : 040-23203155 / 23202465
 Fax : 040-23203028 / 66661267
 e-mail : advisors@cilsecurities.com

C O N T E N T S

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 20th Annual General Meeting of the Members of **VAMSHI RUBBER LIMITED** will be held on Saturday, the 27th day of September, 2014 at 10.30 A.M. at J.S. Krishna Murthy Hall, FAPCCI, Red Hills, Hyderabad to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended 31st March, 2014, the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended 31st March 2014.
3. To re-appoint Auditors of the Company to hold office for a period of three years from the conclusion of this Annual General Meeting and to fix their remuneration

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Ramana Reddy & Associates, Chartered Accountants (Firm Registration No. 003246S), Hyderabad, be and are hereby re-appointed as the Statutory Auditors of the company, to hold office for a period of three years from the conclusion of this Annual General Meeting to the conclusion of the 23rd Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. **To consider the Alteration of Articles of Association 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 Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under consent of the members be and is hereby accorded for alteration of Articles of Association by replacing the existing Article Nos. 111, 114 and 117 of the Articles of Association of the Company by new Articles as provided below:

- | | |
|--|---|
| Retirement and Rotation of Directors | 111. At every Annual General Meeting of the Company one third of such of the Directors as appointed under the Act are liable to retire by rotation or if their number is not three or multiple of three, then, the number nearest to one third shall retire from office. |
| Board may appoint Managing Director or Whole-time Director | 114. Subject to the provisions of the Act, the Board shall have power to appoint from time to time one or more Directors, to the office of the Managing Director and/or Joint Managing Director and/or Whole-time Director for such period and upon such terms and conditions as the Board of Directors may deem fit subject to the provisions of the Act. The Board may by resolution vest in such Managing Director, Joint Managing Director, Whole-time Director such powers hereby vested in the Board generally as it thinks fit and such powers may be exercisable for such period or periods and upon such conditions subject to the restrictions as it may determine. |

Special position of
Managing Director,
Joint Managing Director,
Whole-time Director

117. The Managing Director, Joint Managing Director, Whole-time Director shall while they continue to hold that office be required to retire by rotation but shall not required to hold any qualification shares. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director, Joint Managing Director, Whole-time Director.

“RESOLVED FURTHER THAT the Board of Directors of the Company be authorized to initiate action in amending Articles of Association of the company and to do all such other acts in connection thereon.”

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

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Sri. P Varun Kumar (holding DIN 00293972), Whole Time Director-Finance of the Company, retiring by rotation at this Annual General Meeting be and is hereby re-appointed as Director of the Company.”

6. To appoint a Director in place of Sri. R. Surendra Reddy (holding DIN 00294240), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Sri. R Surendra Reddy (holding DIN 00294240), Whole Time Director-Operations of the Company, retiring by rotation at this Annual General Meeting be and is hereby re-appointed as Director of the Company.”

7. **Appointment of Sri A. Venkat Reddy as an Independent Director**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under (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 Clause 49 of the Listing Agreement, Sri A. Venkat Reddy (holding DIN 02505431), 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 appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 27.09.2014, not liable to retire by rotation.”

8. **Appointment of Sri N. Sandeep Kumar Reddy as an Independent Director**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under (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 Clause 49 of the Listing Agreement, Sri N. Sandeep Kumar Reddy (holding DIN 03610535), 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 appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 27.09.2014, not liable to retire by rotation.”

9. Appointment of Sri. A. Vamsheedhar Reddy as an Independent Director

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under (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 Clause 49 of the Listing Agreement, Sri. A. Vamsheedhar Reddy (holding DIN 01401508), 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 appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 27.09.2014, not liable to retire by rotation.”

10. Appointment of Sri. S. Ramachandra Prasad as an Independent Director

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under (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 Clause 49 of the Listing Agreement, Sri. S. Ramachandra Prasad (holding DIN 00182666), 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 appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 27.09.2014, not liable to retire by rotation.”

11. Increase in remuneration of Sri. M. Ramesh Reddy, Chairman

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and on recommendation of the Nomination and Remuneration Committee (“Committee”), approval of the Company be and is hereby accorded to enhance the total managerial remuneration of Sri. M. Ramesh Reddy, Chairman and Whole-time Director (holding DIN 00025101) up to a maximum limit Rs. 42,00,000 per annum as per Table A of Section II of Part II of Schedule V and to be reviewed by Committee year on year within the maximum limit.”

“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.”

12. Increase in remuneration of Sri R. Surendra Reddy, Managing Director

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and on recommendation of the Nomination and Remuneration Committee (“Committee”), approval of the Company be and is hereby accorded to enhance the total managerial remuneration of Sri R. Surendra Reddy, Managing Director (holding DIN 00294240) up to a maximum limit Rs. 42,00,000 per annum as per Table

A of Section II of Part II of Schedule V and to be reviewed by Committee year on year within the maximum limit.”

“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.”

13. Increase in remuneration of Sri P. Varun Kumar, Whole-time Director - Finance

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and on recommendation of the Nomination and Remuneration Committee (“Committee”), approval of the Company be and is hereby accorded to enhance the total managerial remuneration of Sri P. Varun Kumar, Whole-time Director - Finance (holding DIN 00293972) up to a maximum limit Rs. 42,00,000 per annum as per Table A of Section II of Part II of Schedule V and to be reviewed by Committee year on year within the maximum limit.”

“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.”

14. Increase in remuneration of Sri K. V. Sarma, Whole-time Director - Operations

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and on recommendation of the Nomination and Remuneration Committee (“Committee”), approval of the Company be and is hereby accorded to enhance the total managerial remuneration of Sri K. V. Sarma, Whole-time Director - Operations (holding DIN 00293746) up to a maximum limit Rs. 42,00,000 per annum as per Table A of Section II of Part II of Schedule V and to be reviewed by Committee year on year within the maximum limit.”

“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.”

Place: Hyderabad

Date: 9th August, 2014

for **VAMSHI RUBBER LIMITED,**

(R. SURENDRA REDDY)
Managing Director
DIN: 00294240

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) 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. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.**
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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. Corporate Member(s) are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
4. Members/proxies should bring duly filled Attendance Slip sent herewith, to attend the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 24th September 2014 to Saturday, 27th September 2014 (both days inclusive)** for the purpose of payment of dividend for the financial year ended 31st March, 2014.
6. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting will be paid on or before 11th October, 2014 to those members whose names appear:
 - i. As members on the Register of Members of the Company as on 27th September, 2014 after giving effect to all valid share transfers in physical form which would be received by the Company up to the closing hours of business on 23rd September, 2014.
 - ii. As beneficial owners as per the list to be furnished by NSDL/CDSL as at the closing hours of business on 23rd September, 2014.
7. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to the Company. Such Changes intimated will then be reflected in the Company's records which will help the Company to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company.
8. Members are requested to intimate their Permanent Account Number allotted to them by the Income Tax Department.
9. Pursuant to Section 72(1) of the Companies Act, 2013, read with Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014, facility for making nominations is now available

to INDIVIDUALS holding shares in the Company. The prescribed nomination Form-SH-13 can be obtained from the Share Transfer Agent or may be downloaded from the website of the Company.

10. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/ 2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit. Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to please promptly provide their details (name, folio no., e-mail id) to the Registrar and Transfer Agent of the company. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories. The annual report and other communications/documents sent electronically would also be displayed on the Company's website: <http://vamshirubber.org/>. As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you. We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, in the interest of the environment.
11. 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.
12. 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 secretarial department so as to reach the company at least 10 (ten) days in advance before the date of the Annual General Meeting, specifying the points.
13. All documents referred to in the notice and annexure thereto along with other mandatory registers/documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 AM to 1.00 PM, prior to the date of 20th Annual General Meeting.
14. 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 Rs.1,00,000 (Rupees One Lac).
15. Members may also note that the Annual Report for FY 2013-14 will also be available on the Company's website <http://vamshirubber.org/> for their download.
16. Members holding shares in physical form are requested to intimate any change in their respective addresses, bank mandates, etc., immediately to the Company's Registrar & Share Transfer Agent. Members holding shares in electronic form must send the intimation about

the change of their respective addresses, bank mandates, etc., to their respective Depository Participants (DPs) and not to the Company. Non-resident Indian shareholders are requested to inform us immediately the change in the residential status on return to India for permanent settlement.

17. 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.
18. **Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.**
19. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to the members to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by CDSL.

The instructions for e-voting are as under:

 - i. The voting period begins at 9 A.M. on 23/09/2014 and ends at 6 P.M. on 23/09/2014. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. 29/08/2014 (End of Day) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - iii. Click on the "Shareholders" tab.
 - iv. Now select the "VAMSHI RUBBER LIMITED" from the drop down menu and click on "SUBMIT".
 - v. Now enter your User-ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - vi. Next enter the Image Verification as displayed and Click on Login
 - vii. 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.
 - viii. If you are a first time user follow the steps given below: