



**GRP LIMITED**

**ANNUAL REPORT 2014-15**

## GRP's Sustainability Mantra

Don't engage in grand, heroic  
actions to participate in the  
process of change

Small acts, when multiplied  
by millions of companies,  
can transform the world!

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**GRP**  
MPACT POSITIVE

## Significant Financial Indicators For Last Five Years

(₹ in lakhs)

	Years ended 31st March				
	2011	2012	2013	2014	2015
Total Income	19,103	25,303	28,134	31,199	34,638
Operating Profit	3,089	4,532	2,786	3,021	2,574
Profit After Tax	1,762	2,580	1,175	1,082	887
Net Worth	7,631	8,790	9,960	10,559	11,247
Borrowed Funds	4,042	7,628	9,027	8,498	6,722
Fixed Assets (Gross)	9,929	14,370	18,443	19,360	20,140
Net Current Assets	3,704	5,422	1,174	755	500
Book Value Per Share (₹)	505	659	747	792	844
Earning Per Share (₹)	132.16	192.91	87.79	81.20	66.51
Dividend (%)	230	330	150	160	112.50
Ratios:					
Debt Equity	0.34	0.61	0.75	0.66	0.47
Operating Profit To Sales	17%	19%	10%	10%	8%
Interest Coverage	17	13	4	5	6

Regd. Office: Plot No.8, G.I.D.C. Estate, Ankleshwar – 393 002  
Dist. Bharuch (Gujarat)

## **BOARD OF DIRECTORS**

Kandathil M.Philip, Chairman (Emeritus)  
Rajendra V. Gandhi, Managing Director  
Mahesh V. Gandhi  
Dr.Peter Philip  
Bhagwandas T. Doshi  
Rajeev M. Pandia  
Harsh R.Gandhi, Executive Director  
Apurva R. Shah (w.e.f. 4th February, 2015)  
Nayna R. Gandhi (w.e.f. 30th May, 2015)  
Atul S. Desai (up to 4th February, 2015)  
Nikhil M. Desai (up to 4th February, 2015)

## **AUDITORS**

A.B.Modi & Associates  
Chartered Accountants  
Mumbai

## **BANKERS**

HDFC Bank Ltd., & Citibank

## **WORKS**

Ankleshwar & Panoli (Gujarat),  
Akkalkot Road & Chincholi Solapur (Maharashtra),  
Perundurai (Tamilnadu)

## **CORPORATE OFFICE**

510, 'A' Wing, Kohinoor City Commercial I,  
Kiroil Road, Off.L.B.S. Marg, Kurla (W),  
Mumbai – 400 070.

## **SHARES LISTED ON**

Bombay Stock Exchange Ltd.  
National Stock Exchange of India Ltd.

## **REGISTRAR & TRANSFER AGENTS**

Universal Capital Securities Pvt.Ltd.  
21, Shakil Niwas, Opp. Satya Saibaba  
Temple, Mahakali Caves Road,  
Andheri (East), Mumbai – 400 093.

## **ISIN No.**

INE137I01015

## **E-mail**

investor.relations@grpweb.com

## **Web Site**

www.grpweb.com

CIN : L25191GJ1974PLC002555

Registered Office: Plot No.8, GIDC Estate, Ankleshwar - 393 002 Dist. Bharuch, Gujarat.

Tel No.: 022 67082500 / 2600, Fax : 022 67082599

e-mail id : investor.relations@grpweb.com, website:www.grpweb.com

## **NOTICE**

**NOTICE** is hereby given that the **FORTY FIRST ANNUAL GENERAL MEETING** of the Members of **GRP LIMITED** will be held at the Registered Office of the Company at Plot No.8, GIDC Estate, Ankleshwar - 393 002, Dist. Bharuch, Gujarat State on **Monday, 27th July, 2015 at 12.30p.m.** to transact the following business :

### **Ordinary Business:**

1. a) To consider and adopt the audited financial statement of the company for the financial year ended 31st March, 2015, the Reports of the Board of Directors and Auditors thereon.  
b) To consider and adopt the audited consolidated financial statement of the company for the financial year ended 31st March, 2015.
2. To declare dividend on equity shares for the financial year 2014 -15.
3. To appoint a director in place of Harsh R. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To reappoint M/s.A.B.Modi & Associates, Chartered Accountants, the retiring auditors of the company as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General meeting and to authorize Board of Directors to fix their remuneration.

### **Special Business:**

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

**"RESOLVED THAT** Smt. Nayna R. Gandhi (DIN:00166499), who was appointed as an Additional Director of the Company with effect from 30th May, 2015 by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 ("the Act") and who holds office as such upto the date of this Annual General Meeting and who has submitted a declaration that she is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to such sanctions as may be necessary, the consent of the Company be and is hereby accorded to the reappointment of Harsh R. Gandhi (DIN:00133091), as a Whole-time Director of the Company designated as an "Executive Director" for a period of three years effective from 16th June, 2015, on the terms and conditions of appointment and remuneration as set out in the agreement to be entered into between the company and Harsh R. Gandhi and provided in the explanatory statement annexed to the notice.

**"RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to vary / increase the remuneration as aforesaid to the extent the Nomination and Remuneration Committee and / or the Board of Directors may consider appropriate, provided however, that the remuneration payable to Harsh R. Gandhi, Executive Director shall be within the limits set out in that behalf in the said Act including Schedule V to the Act or any amendments thereto or any modifications or statutory re-enactment(s) thereof and / or any Rules or Regulations framed thereunder, and the terms of the said agreement shall be suitably modified to give effect to such variation or increase, as the case may be."

**"RESOLVED FURTHER THAT** during the currency of the tenure of Harsh R. Gandhi, Executive Director, where in any financial year, the company has no profits or its profits are inadequate, the company do pay to Harsh R. Gandhi, Executive Director, such remuneration which is in accordance with the conditions specified in Schedule V of the Act, or any statutory modification(s) or re-enactment thereof."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute agreements and other documents and take such steps expedient or necessary to give effect to the above resolutions."

## NOTES :

- a. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the 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 FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions / authority, as applicable. Member / Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting. The proxy holder shall prove his / her identity at the time of attending the meeting.
- b. The Register of Members and Transfer Books of the company will be closed from Tuesday, 21st July, 2015 to Monday 27th July, 2015, both days inclusive.
- c. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made credited / dispatched within 30 days from 27th July, 2015.
  - i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 20th July, 2015.
  - ii) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 20th July, 2015.
- d. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service, Electronic Clearing Service, mandates, nominations, power of attorney, change of address, change of name and e-mail address etc., to their Depository Participant. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Universal Capital Securities Pvt. Ltd. (UCS) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to UCS.
- e. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or UCS for assistance in this regard.
- f. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or UCS the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- g. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- h. The unclaimed dividend up to the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government pursuant to Section 205A (5) of the Companies Act, 1956. Members, who have not encashed their dividend warrants up to the financial year ended 31st March, 1994 are requested to claim the same from the Registrar of Companies, Gujarat at Ahmedabad.
- i. Pursuant to Section 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed with the Company on the expiry of 7 (seven) years from the date of its transfer to the unclaimed / unpaid account, will be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, unclaimed dividends for the financial year ended 31st March, 1995 to 31st March, 2007 and unclaimed interim dividend for the financial year ended 31st March, 2008 have been transferred to the said fund. Members, who have not encashed their dividend warrant(s) so far, for the final dividend for the financial year ended 31st March, 2008 and for the interim and final dividends for subsequent financial years, are requested to make their claims to the Company or to UCS. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall lie against the IEPF or the Company in respect of any amounts which were unclaimed for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.
- j. As required by Clause 49 of the Listing Agreement, brief profile of the Directors proposed to be appointed / re-appointed at the annual general meeting is given below:

Name of the Director	Harsh R. Gandhi	Smt. Nayna R. Gandhi
Date of birth	17th July, 1977	4th October, 1951
Date of appointment	16th June, 2009	30th May, 2015
Experience in specific Functional areas	Varied experience of more than 14 years in corporate management.	Experience of more than 22 years as director in other companies.
Qualification	Science graduate from Purdue University, USA.	Diploma in Home Science
Directorship held in other public companies (excluding GRP Limited)	Grip Polymers Ltd.	Grip Polymers Ltd.
Memberships / Chairmanship of committees of all public companies	Member of Corporate Social Responsibility Committee and Stakeholders Relationship Committee of GRP Ltd.	Nil
No. of shares held in the company	57,535	44,105

- k. Electronic copy of the following documents : i) Annual Report for the financial year 2014-15 ii) Notice of the 41st Annual General meeting of the company inter alia indicating the process and manner of e-voting iii) Attendance slip and proxy form for the 41st Annual General meeting, are being sent by email to all the members whose email IDs are registered with the company / depository participants for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of all the aforesaid documents is being sent by the permitted mode.
- l. Notice of the 41st Annual General meeting, attendance slip, proxy form and the annual report for the financial year 2014-15 will also be available on the website of the company [www.grpweb.com](http://www.grpweb.com). Route map and prominent land mark for easy location of the venue of this meeting is attached separately and the same is also hosted on the website of the company.
- m. All documents referred to in the accompanying notice and the explanatory statement shall be available for inspection at the registered office of the company at Ankleshwar during normal business hours (9 am to 5 pm) on all working days except Saturdays and Sundays, till the date of the Annual General Meeting.
- n. **Voting through electronic means :**
- i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and clause 35B of the listing agreement, the company has provided to the members facility to exercise their right to vote on resolutions proposed to be considered at the 41st Annual General meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using e-voting system from a place other than the venue of the AGM (remote e-voting) will be provided by National Securities Depository Ltd. (NSDL).
  - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall have the option to exercise their right to vote at the meeting through ballot paper.
  - iii. Members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - iv. Remote e-voting period commences on 24th July, 2015 (9 am) and ends on 26th July, 2015 (5 pm). During this period, members of the company, as on the cut-off date of 20th July, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - v. The process and manner of remote e-voting are as under :
    - I. In case a member receives an email from NSDL (for members whose email IDs are registered with the company / depository participants) :
      - a) Open email and open PDF file, viz: "GRP Ltd. remote e-voting.pdf" with your client ID or folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
      - b) Launch internet browser by typing the following URL : <https://www.evoting.nsd.com>
      - c) Click on shareholder login
      - d) Put user ID and password as initial password / PIN noted in step (a) above. Click login.

- e) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits characters or combination thereof. Note new password. Do not share your password with any other person and take utmost care to keep your password confidential.
  - f) Home page of remote e-voting opens. Click on remote e-voting : Active Voting Cycles.
  - g) Select "REVEN" of GRP Ltd.
  - h) Now you are ready for remote e-voting as Cast Vote page opens.
  - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j) Upon confirmation, the message "Vote Cast Successfully" will be displayed.
  - k) Once you have voted on resolution, you will not be allowed to modify your vote.
  - l) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolutions / authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through email to shah\_cr@yahoo.co.in with a copy mark to evoting@nsdl.co.in
  - II. In case a member receives physical copy of the notice of AGM (for members whose email IDs are not registered with the company / depository participants or requesting physical copies):
    - a) Initial password is provided as below / at the bottom of the attendance slip for the AGM :

<b>REVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
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    - b) Please follow all steps from serial No.(b) to serial No.(l) of I above, to cast vote
- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free No. 1800 222 990.
  - vii. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.
  - viii. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication.
  - ix. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date of 20th July, 2015.
  - x. Any person who acquires shares of the company and become member of the company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e. 20th July, 2015, may obtain the login ID and password by sending a request to email ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to email ID [investors.relations@grpweb.com](mailto:investors.relations@grpweb.com). However if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting@nsdl.com](http://www.evoting@nsdl.com).
  - xi. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - xii. Chetan R. Shah, Practicing Company Secretary (Membership No.FCS 2703) (email ID [shah\\_cr@yahoo.co.in](mailto:shah_cr@yahoo.co.in)) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ballot paper voting process, in a fair and transparent manner.
  - xiii. The Chairman of the AGM shall at the end of the discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - xiv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and there after unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the AGM or a person authorised by him in writing, who shall countersign the same and declare the results of the voting forthwith.
  - xv. The results declared along with the report of the Scrutinizer shall be placed on the website of the company [www.grpweb.com](http://www.grpweb.com) and on the website of NSDL immediately after declaration of results by the Chairman of AGM or a person authorised by him in writing. The results and the report shall also be immediately forwarded to the Stock Exchange/s, where the shares of the company are listed.

Place : Mumbai  
Date : 30th May, 2015

By Order of the Board of Directors  
Rajendra V. Gandhi  
Managing Director

Registered Office: Plot No. 8, GIDC Estate, Ankleshwar – 393 002 Dist. Bharuch, Gujarat



## Annexure to the Notice

### Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 relating to the business set out in the accompanying Notice.

#### Item No.5:

Nayna R. Gandhi, is a Non-Executive Non-Independent Director on the Board of the Company, who was appointed as an Additional Director of the Company on 30th May, 2015. Her term of office will conclude on the date of the ensuing 41st Annual General Meeting.

The Company has received a notice in writing with the requisite deposit from a member, as required under Section 160 of the Companies Act, 2013, proposing her candidature for the office of the director of the company, liable to retire by rotation.

The Company has also received following documents from Nayna R. Gandhi :

- (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014,
- (ii) Intimation in Form DIR-8 In terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Smt. Nayna Gandhi is a diploma holder in Home Science and is also director in Grip Polymers Ltd., (wholly owned subsidiary) since November, 1993. With her appointment as director of the company, requirement regarding woman director as stipulated under Section 149 of the Companies Act, 2013 will be complied.

The Board of Directors accordingly recommend the resolution for your approval.

None of the directors and Key Managerial Personnel of the company other than Nayna R. Gandhi, herself and Rajendra V. Gandhi, Managing Director and Harsh R. Gandhi, Executive Director, being her relatives, are in any way concerned or interested, financially or otherwise in this resolution

#### Item No.6:

Harsh R. Gandhi has experience of about 14 years with the company in various senior managerial positions in the key areas of market promotion, material procurement, business development, corporate communications, strategic planning and corporate services. During this period, Harsh R. Gandhi has acquired good domain expertise. He is actively associated with International Rubber Study Group (IRSG) and also with All India Rubber Industries Association (AIRIA). This has helped him, in having good networking with the customers, the market and the suppliers. His association with Young President Organization (YPO) has helped him in getting macro economic exposure. He has completed two consecutive years of training (total period of two months) for Owner President Management Program with Harvard Business School, Boston, USA. The final term of one month training will be completed by him in the month of August, 2015. This has helped him in acquiring in-depth knowledge about the business planning, business strategies and general skills of management. His education as a Bachelor of Science in Management (with specialization in finance) from Purdue University in USA and his working experience with Boston Consulting Group (BCG) prior to joining GRP Ltd., has been useful in acquiring knowledge about financial analytical tools.

Considering the business expertise, experience and in view of the substantial contribution made by him for the growth, progress and financial stability of the company, the Board of Directors at its meeting held on 30th May, 2015, on the recommendation of the Nomination and Remuneration Committee, has decided that subject to approval of the shareholders by way of a special resolution and subject to such other approval/s as may be necessary, Harsh R. Gandhi be reappointed as Executive Director for a further period of three years with effect from 16th June, 2015 upon the terms and conditions as to remuneration, perquisites, allowances and benefits as mentioned in the draft agreement proposed to be entered into between the company and Harsh R. Gandhi.

The requisite declaration regarding fulfilment of conditions mentioned in part I of Schedule V of the Companies Act, 2013 has been received from Harsh Gandhi.

His office shall be liable to retirement of directors by rotation as per the relevant provisions of the Companies Act, 2013.

The Board of Directors accordingly recommend the resolution for your approval.

None of the directors and Key Managerial Personnel of the company other than Harsh R. Gandhi himself and Rajendra V. Gandhi, Managing Director and Nayna R. Gandhi, Director being his relatives, are in any way concerned or interested, financially or otherwise in this resolution.

The material terms of the said draft agreement as referred to in the resolution are as follows:

Term: 3 (Three) years, from 16th June 2015 to 15th June 2018 (both days inclusive)

Remuneration :

**A) Salary :**

Rs.6,00,000/- to Rs.7,50,000/- Per month

The annual increments will be decided by the Nomination & Remuneration Committee and / or the Board of Directors in its absolute discretion.

**B) Commission :**

Remuneration by way of commission equal to 1% of the net profits of the company as determined under Section 198 of the Companies Act, 2013 of a particular financial year, subject to a maximum of 12 months' salary of that particular financial year.

**C) Perquisites and Allowances :**

- i) In addition to salary and commission payable, Harsh R. Gandhi, Executive Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs and other allowances, medical expenses reimbursement, club fees and leave travel concession for self and his family, personal accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Nomination and Remuneration Committee and / or by the Board of Directors and Harsh R. Gandhi. However, such perquisites and allowances shall be subject to a maximum of 100% of the annual salary.
- ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- iii) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iv) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the aforesaid ceiling on perquisites and allowances to the extent these, either singly or together are not taxable under the Income-Tax Act.
- v) Leave as per the rules of the Company.
- vi) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of the limits for the perquisites and allowances as aforesaid.

**D) Minimum Remuneration**

Notwithstanding anything contained herein, where in any financial year, during the currency of the tenure of Harsh R. Gandhi, Executive Director, the Company has no profits or its profits are inadequate, the Company may pay him remuneration by way of salary, perquisites and allowance not exceeding the maximum limits laid down in Section II of Part II of Schedule V of the Companies Act, 2013 as modified from time to time.

**Additional information as required under Schedule V of the Companies Act, 2013 is as under :**

**I. General Information:**

1. Nature of Industry

The Company is engaged in the business of manufacture of reclaimed rubber, custom die forms and thermoplastic elastomer.

2. Date or expected date of commencement of commercial production: The company is manufacturing reclaimed rubber since December 1978, custom die forms since March 1999 and thermoplastic elastomers since June, 2009.

3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

4. Financial Performance based on given indicators:

Significant Financial Indicators for last five years (Rs. In lacs)					
	Years ended 31st March				
	2011	2012	2013	2014	2015
Total Income	19,103	25,303	28,134	31,199	34638
Operating profit	3,089	4,532	2,786	3,021	2574
Profit after tax	1,762	2,580	1,175	1,082	887
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Dividend (%)	230	330	150	160	112.50
Ratios :					
Debt Equity	0.34	0.61	0.77	0.66	0.46
Operating Profit To Sales	17%	19%	10%	10%	8%
Interest Coverage	17	13	4	5	6

5. Foreign Investments and Collaborations, if any : Nil

## II. Information about Harsh R. Gandhi

1. Background Details / Recognition or awards / job profile and suitability : Refer Para 1 of the Explanatory statement of item No.6 mentioned above.

2. Past remuneration: Gross remuneration (including salary, commission and contribution to provident and pension funds) for last three financial years is as under :

Financial Year	Gross Remuneration (Rs.lacs)
2012-13	81.40
2013-14	89.10
2014-15	119.28

3. Remuneration proposed: Gross remuneration (excluding exempt perquisites) proposed to be paid to Harsh R. Gandhi in the financial year in which there will be a loss or inadequacy of profits, shall be maximum Rs. 120.00 lacs p.a.

4. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the nature of the industry, the profile, knowledge, skills and responsibilities shouldered by Harsh R. Gandhi, the above proposed remuneration is commensurate and comparable with the remuneration drawn by managerial personnel in similar capacities in other companies in the rubber and related industry.

5. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Harsh R. Gandhi except receiving remuneration as Executive Director, does not have any other pecuniary relationship with the company. Harsh R. Gandhi is a relative of Rajendra Gandhi, Managing Director and Nayna R. Gandhi, Director of the company.

## III. Other Information:

1. Reasons of loss or inadequate profits: Profits are likely to be inadequate, due to challenging business environment in the automobile industry in general and in the rubber goods manufacturing industry in particular.

2. Steps taken or proposed to be taken for improvement : Company under the dynamic leadership of Harsh R. Gandhi is constantly endeavoring for :

- Revenue maximization through geographic expansion and industry outreach for improved asset turnover.
- Profitability improvement through cost optimization and new technology adoption; and
- Rationalization of capital employed by combining manufacturing locations and integrating the operations.

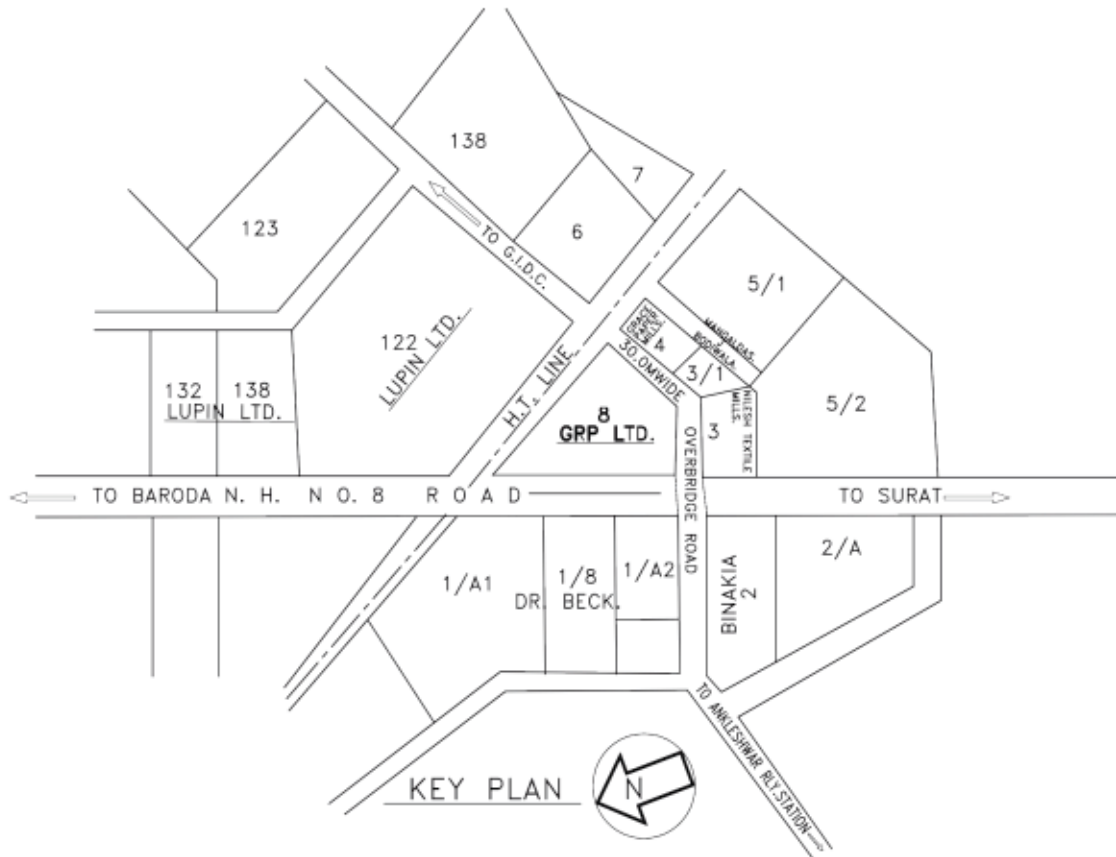
Place : Mumbai

Date : 30th May, 2015

By Order of the Board of Directors

Rajendra V. Gandhi  
Managing Director

Registered Office: Plot No. 8, GIDC Estate, Ankleshwar – 393 002, Dist. Bharuch, Gujarat



Location Map of registered office of GRP Ltd.  
Plot No: 8, GIDC Industrial Estate, Ankleshwar-393002  
Dist. Bharuch, Gujarat, India.

## Directors' Report to the Members,

Your Directors are pleased to present the **FORTY FIRST ANNUAL REPORT & AUDITED ACCOUNTS** for the year ended 31st March, 2015.

Particulars	Year ended 31st March	
	2015	2014
	(Rs. in lakhs)	(Rs. in lakhs)
Sales & Other Income	34,653	31,082
Profit before depreciation & tax	2,574	3,020
Depreciation	1,472	1,244
Profit before tax	1,102	1,776
Provision for tax (net of MAT entitlement)	232	298
Deferred tax expenditure	(76)	396
(Short) Provision of income tax (net) of earlier year	59	–
Profit after tax for the year	887	1,082
Brought forward profit	4331	4,498
Amount available for appropriation	5218	5,580
Transfer to General Reserve	–	1,000
Interim Dividend	–	20
Proposed Dividend / Final Dividend	150	193
Tax on dividend	30	36
Transitional provision for depreciation (net of deferred tax)	19	–
Balance carried to Balance Sheet	5019	4,331
	5218	5,580
EPS:		
Basic (Rs.)	66.51	81.20
Diluted (Rs.)	66.51	81.20

## DIVIDEND

Based on performance of the company for the year under the report, the Board recommends a dividend of Rs.11.25 per share (112.50%) for the year ended 31st March, 2015. [Previous year total dividend was Rs.16/- per share (160%)].

## OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK

During the financial year ended 31st March, 2015 your Company achieved a turnover of Rs.33,556 lakhs as against a turnover of Rs.30,402 lakhs in the previous year, registering a growth of 10%. The export turnover of your Company during the year was Rs.24,145 lakhs (72% of total turnover) as against Rs.21,182(70% of total turnover) achieved in the previous year. Due to smoother availability of power at the Tamil Nadu plant, capacity utilization has improved from 38% in the previous year to 82% in this year.

During the year, the company has merged its two manufacturing plants in Solapur. With this, Chincholi (Solapur) plant capacity has been enhanced to 30000 MT p.a. The plant infrastructure at MIDC, Akkalkot Road, Solapur is available for future growth opportunities. The above merger will lead to improved utilization and greater economy of scale advantage.

Your company availed benefit of lower energy cost at its plants in Ankleshwar and Panoli through purchase of power over energy exchange. Subsequently, from March 2014 onwards, the matter is sub-judice and therefore company's energy need has reverted to a more expensive source.

Industrial polymer business of the company saw a fall in volumes on account of a weak automotive sector, causing a drop in demand. Grant of patents for an alternate process is awaited, after which this business should witness further growth.

Customs duty forms business witnessed muted performance.

Your Company's overall capacity utilization has increased from 76% to 80%. The operating margins during the financial year ended 31st March, 2015 have witnessed severe pressure as compared to the previous year due to stagnant sales price and increase in operational cost because of raw material prices, energy and employee cost. Fall in the prices of natural and synthetic rubber was a major cause for not being able to pass on input cost increases to sales price.

The Company has taken several measures to reduce costs and optimize margins. Merger of Solapur plants and better capacity utilization of Perundurai plant is expected to result in cost optimization during the current year, amidst continuing scenario of weak natural and synthetic rubber prices.

The Research and Development Centre and Nylon Recovery Pilot plant at Panoli have received approval in December 2014 from Department of Scientific & Industrial Research, Ministry of Science & Technology (DSIR) Government of India, New Delhi.

The achievements of your company have been acknowledged as follows:-

- All India Rubber Industries Association's Top Export Award in the Raw Material sector
- Top Export Award- CAPEXIL in Rubber Product Panel.
- Quality Circle Forum of India's various trophies were received by Ankleshwar and Panoli plants for Production, Maintenance, Quality Control, CDF and EHS & Administration.
- Impact Positive Team of Ankleshwar plant won Excellence Trophy during National Convention of Quality Circle-2014 at Pune.
- Ankleshwar plant has won a Par Excellence Trophy at a 5 S Conclave organized by QCFI at Madurai.

The company has been subjected to a cyber crime during the year resulting in a sum of USD 6,38,367 equivalent to Rs.3,98,97,938/- being paid by an overseas customer into an unauthorized account. The company continues to treat this as recoverable from the customer and necessary steps in this regard have already been initiated by the company and it is hopeful about the full recovery of the same.

## **SUBSIDIARIES**

Salient features of financial statement of its Wholly-owned Subsidiary company viz. Grip Polymers Limited in form AOC-1 is attached herewith. (Annexure 1)

## **DIRECTORS**

Nikhil Desai and Atul Desai have resigned as directors of the company with effect from 4th February, 2015. The Board places on record its appreciation and gratitude for the valuable services rendered by them during their tenure as directors of the Company.

Bhagwandas T. Doshi, Rajeev M. Pandia and Apurva R. Shah have been appointed as Independent Directors of the Company for the period of five years, by obtaining assent of shareholders on 24th March, 2015 through postal ballot process.

Smt. Nayna R. Gandhi, who was appointed as an Additional Director on 30th May 2015, holds the said office till the date of the conclusion of the ensuing 41st Annual General Meeting. A notice has been received from a member proposing her candidature for her reappointment as a director liable to retire by rotation.

In accordance with the provisions of the Companies Act, 2013, Harsh R. Gandhi, retires by rotation at the ensuing 41st Annual General Meeting and being eligible offers himself for reappointment.

All the Independent Directors have submitted their declarations to the Board to the effect that they fulfill the required criteria of independence as mentioned in the provisions of Section 149(6) of the Companies Act, 2013.

## **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors confirm that :

- (a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there had been no material departure;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the profit and loss account of the company for the year ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE**

Report on Management discussion and analysis and corporate governance attached herewith (Annexure 2) form an integral part of this report. The certificate from auditors of the company, certifying compliance of the conditions of corporate governance as stipulated in clause 49 of the listing agreement, is annexed to the report on corporate governance.(Annexure 3)

The board of directors of the company was not consisting of the required number of independent directors for the quarter October to December 2014. However with reconstitution of the board w.e.f. 4th February, 2015, the board is having the required number of independent directors.

### **STATUTORY AUDITORS**

A. B. Modi & Associates, Chartered Accountants, Mumbai, the statutory auditors of the Company, will retire at the ensuing 41st annual general meeting and are eligible for reappointment. A. B. Modi & Associates has, under Section 139 of the Companies Act, 2013 furnished a certificate of their eligibility for re-appointment.

### **SECRETARIAL AUDIT REPORT**

Chetan R. Shah, Practicing Company Secretary has conducted secretarial audit pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under. His secretarial audit report is attached herewith.(Annexure 4)

The board of directors of the company was not consisting of the required number of independent directors for the quarter October to December 2014. However with reconstitution of the board w.e.f. 4th February, 2015, the board is having the required number of independent directors.

### **VIGIL MECHANISM**

The Company has established a vigil mechanism and oversees the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee in exceptional cases. Vigil Mechanism (Whistle Blower) Policy has been hosted by the company on its website.

### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

Periodic assessments by functional heads to identify the risk areas are carried out and management is briefed on the risks to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

CSR Committee has been constituted by the Board of directors. The Committee has adopted CSR policy to contribute towards social and economic development of the communities where the company operates in, and while doing the same, to build a sustainable way of life for all sections of society, with emphasis and focus on education, health care, sustainable livelihood and empowerment of women. The CSR Policy has also been uploaded on the website of the Company.

The Annual Report on CSR activities of the Company is attached herewith.(Annexure 5)

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of Loans, guarantees or investments made under Section 186 is attached herewith.(Annexure 6)

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The particulars of Contracts or Arrangements made with related parties pursuant to Section 188(1) of the Companies Act, 2013 in form AOC-2 is attached herewith.(Annexure 7)

### **COMPANY'S POLICY RELATING TO PERFORMANCE EVALUATION OF THE BOARD, DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF DUTIES :**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the individual Directors and the Board which is based on;

- Knowledge to perform the role;
- Time and level of participation;
- Performance of duties and level of oversight; and
- Professional conduct and independence;

The evaluation was carried out by means of the observations made by all the Directors on the set of questions developed by them which brought out the key attributes of the Directors, quality of interactions among them and its effectiveness. The board is collectively of the opinion that the overall performance of the board, committees thereof and the individual Directors is satisfactory and conducive to the growth and progress of the company.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is attached herewith. (Annexure 8)

#### **POLICY AGAINST SEXUAL HARASSMENT**

The Company has in place anti sexual harassment policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint regarding sexual harassment has been received by the committee during the financial year 2014-15.

#### **ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached herewith. (Annexure 9)

#### **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the financial year 2014-15 under review. Company has repaid all the deposits of the kind referred to in Company (Acceptance of Deposit) Rules, 2014 which were existing as on 31<sup>st</sup> March, 2014.

#### **INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013**

The above information (to the extent applicable) is attached herewith. (Annexure 10)

#### **INFORMATION PURSUANT TO SECTION 134 (3)(M) & (Q) OF THE COMPANIES ACT, 2013**

The above information (to the extent applicable) is attached herewith. (Annexure 11)

#### **POLICIES FOR RELATED PARTY TRANSACTIONS AND FOR DETERMINING MATERIAL SUBSIDIARIES:**

The web link to access the above two policies hosted by the company on its website [www.grpweb.com](http://www.grpweb.com) is as under:

- a) <http://www.grpweb.com/pdf/Related%20Party%20Transaction%20Policy.pdf>
- b) <http://www.grpweb.com/pdf/Policy%20for%20determining%20material%20subsidiaries.pdf>

#### **ACKNOWLEDGMENTS**

Your Directors place on record their sincere thanks to employees, bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company. Your Directors also acknowledges gratefully the support and confidence reposed by shareholders in the Company.

**For and on behalf of the Board of Directors**

Date: 30<sup>th</sup> May 2015  
Place: Mumbai

Rajendra Gandhi  
Managing Director

Harsh Gandhi  
Executive Director



**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries

**Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr.No.	Name of the subsidiary	Grip Polymers Ltd.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
3	Share capital	₹ 5,00,000/-
4	Reserves and surplus	₹ 23,57,578/-
5	Total assets	₹ 29,19,464/-
6	Total liabilities	₹ 47,38,887/-
7	Investments	₹ 46,77,000/-
8	Turnover	₹ 2,54,153/-
9	Profit before taxation	₹ 94,396/-
10	Provision for taxation	₹ 56,881/-
11	Profit after taxation	₹ 37,515/-
12	Proposed Dividend	Nil
13	% of shareholding	100%
Notes : The following information shall be furnished at the end if the statement :		
1	Names of subsidiaries which are yet to commence operations	Nil
2	Names of subsidiaries which have been liquidated or sold during the year	Nil

**For and on behalf of the Board of Directors of GRPLimited**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2015

Rajendra Gandhi      Harsh Gandhi  
Managing Director      Executive Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2014-15

The Indian economy was expected to grow by 5.4% in 2014-15, and the growth rate was expected to further scale up to 6.5% with renewed investment and various government measures. Inflation continues to be ticking lower, and softening of interest rates coupled with stable Indian Rupee and lower oil prices is bringing in higher growth expectations. In light of the slow growth and specifically lower growth in direct customer segments, the following table exhibits, in summary, the financial performance of the Company for the year 2014-15 :

Key Parameters	2014-15	2013-14
Turnover (Rs.'lakhs)	33,556	30,402
Profit after Tax (Rs.'lakhs)	887	1,082
Profit after Tax to Turnover(%)	3%	4%
Sales to Fixed Assets Employed(ratio)	3 times	2 times
Current Ratio	1.08	1.09
Return on Capital Employed	11%	16%
Market Value per share (Rs.) (As on 31.03.2015)	1,059	1,060
Sales value (growth in % over previous year)	10	13
Sales volume (growth in % over previous year)	5	5
Domestic sales value (growth in % over previous year)	2	(4)
Export sales value (growth in % over previous year)	14	22

The profit after tax for the year 2014-15 as against 2013-14 has decreased by 18% to Rs.887 lakhs. Increasing raw material costs, employee cost due to revision in wages as per Long Term Settlement with workers in Ankleshwar and wage increase in MIDC Alkalkot Road Plant at Solapur as a result of a one year Interim Agreement, increase in power cost at Gujarat plants due to discontinuance of power trading at the exchange and major increase in power cost in Maharashtra were the key reasons for the dent in the operating margins. Moreover, Rs.217 lakhs spent on Research and Development were debited to respective heads in the Profit & Loss account, the benefits of which will be reaped in the coming years, over and above the tax benefits arising from the recognition and approval from DSIR which will be reflected in the current year's tax return. Accordingly, the profit before tax fell in 2014-15 vis-à-vis 2013-14 by 38%.

### Segment wise or product wise performance:

In accordance with the Accounting Standard-17 notified by the Companies (Accounting Standards) Rules, 2006, the company has classified its business into two reportable business segments based on nature of business.

#### a) Reclaim Rubber:

This segment comprises of reclaim rubber sheets for tyre and non-tyre rubber goods industries. The company continues to be the market leader in reclaim rubber segment. The company has achieved a 11% growth in this segment in the current financial year as compared to previous year. This business spans 42 countries and supplies to among the largest tyre and non tyre companies. The total sales under this segment is Rs.32,536 lakhs for the financial year.

#### b) Windmill :

The company has invested in Windmill at Kuchhadi in Gujarat in the financial year 2009-10. For the power units generated by the Windmill, the company gets credit in its electricity bill of its Panoli plant in Gujarat.

#### c) Industrial Polymers:

This segment has clocked in a negative growth of 21% in the current financial year as compared to previous year on account of a weak automotive sector.

### Industry Structure and Development :

In recent years, recycling has gained traction worldwide due to the growing focus on sustainability and realization that natural resources are finite. More and more companies are articulating a vision of using greater portion of recycled material in their products or formulations. The rubber industry is no different.

End-of-life tyres (ELT) are an important source of recycled rubber around the world and over the years its status has changed from 'waste' to 'resource'. The reclaim rubber industry has largely been built around this reality and development. In recent decades, other rubber waste sources too have started getting reclaimed leading to the growth and acceptance of the reclaim rubber industry.

ELTs are managed in a variety of ways: Taxation System (tyre producers pay a tax to the Government who in turn compensate recyclers for disposal of ELTs), Free Market (Operators act in compliance with local waste management law which assigns responsibility for the stages of production and recovery), Producer Responsibility (tyre producers responsible for managing ELTs) and No Regulation (no legal structure defined for ELTs therefore market forces determine how ELTs are disposed – prevalent in most emerging markets).

India follows the 'No Regulation on ELTs' model that has resulted in a highly competitive market on one side and significant economic benefits to rubber using industries on the other. In addition to this, it also continues to deliver environment conservation by limiting the usage of virgin polymers. The sustained growth of the automotive industry in India has led to the growth of tyre industry, which in turn has resulted in the rapid growth in availability of ELTs. The latter has allowed the Indian reclaim rubber industry to become a major source to the entire globe, not just India.

Where there is growth and low entry barriers, entry of large number of new players is guaranteed. India has been no exception to this with several new reclaim rubber manufacturers setting up shop in India leading to growing competition for customers and for raw material. Such units have mushroomed in the last 2-3 years in Western and Northern part of India; this has directly affected GRP (80% of our manufacturing capacity is in Western India). Added to this has been the advent of tyre pyrolysis units hungry for ELTs as a source of recovering oil and carbon black; so competition has been coming from outside the reclaim rubber industry as well. Margins, therefore, have come under pressure over the last several quarters.

Revenues of the industry, however, continue to grow. While the tyre and pneumatic tube sector continue to be the single largest consumers of reclaim rubber, non-tyre industries like conveyor belting, automotive profiles, hoses, roofing and flooring, civil engineering, adhesives, moulded and extrusion products have also increased usage significantly.

The Industrial Polymers business is a small part of the rapidly growing engineering plastic industry in India. Current GRP products include PA 6 and PA 6,6, - upcycled through use of recovered nylon from ELT. Consumers include compounders and industries like automotive, industrial and electrical products etc. The lower end of the product segment is highly commoditized with several 'recyclers'. The higher end is where margins are better as most material is consumed in industries (and by customers) who are sensitive to specifications and quality.

The custom die forms business is a niche segment business in which products made out of ELT are used to cater to global agricultural equipment manufacturers, dock bumper pad suppliers, industrial flooring mats etc. mainly in North America. The good availability of truck bias tyres in India has ensured that this remains a viable business.

## **Opportunities and Concerns**

2014-15 was a year where the world comprised of regions that continued to struggle (Europe, Japan), regions where growth showed signs of revival (N. America), regions where gradual but steady growth continued (Asia, Latin America) and regions that went into sudden decline (Russia, select Middle East economies).

With the change in central government, India emerged as the 'darling' of investors as the new party in power promised to unlock stuck projects, put renewed focus on ease of doing business and openly welcomed companies to 'Make in India'. GDP growth that had spluttered to less than 5% over the last couple of years finally took an upward trajectory – even if not as steep as was expected. In the last quarter of the year, IIP was the highest in a year, services growth was up; agriculture however continued to struggle. The central bank dropped interest rates not once but twice due to continuously declining inflation, making more money available to industry. Within industry, the automotive sector finally began to show signs of revival with commercial vehicle sales continuing to grow, car sales reviving after almost 2 years of decline while India continued to be the largest two wheeler market in the world.

The woes of the automotive segment for the previous two years had spilled over into the tyre industry in India as well. However, historically low natural and synthetic rubber prices ensured that all major tyre companies in India made unprecedented profits despite low growth in volumes. But lack of volume growth meant stagnation in usage of reclaim rubber in the sector- for the past several years growth in the tyre sector had translated automatically into growth for the reclaim rubber industry. In 2014 this was not to be so. Compounding this was the diminished value proposition of reclaim rubber due to low natural rubber (NR) & synthetic rubber (SR) prices; many customers actually decreased usage for the first time in many years.

A large chunk of the reclaim rubber produced in India is exported; therefore currency movements play a critical role in the business. More than two-third revenue of your company is contributed by exports to 50+ countries of the world so currency fluctuations can be critical input into performance on the whole. The sudden, steep and sustained depreciation of the Euro hit your company hard as almost 30% revenue comes from this region. With NR & SR prices at a historical low, our ability to pass on the effect of Euro depreciation could not be passed severely denting margins. However, volumes remained relatively unaffected despite severe competition from Indian players, and European manufacturers due to the strong relationships that your Company has built over the years and continues to strengthen through

its Key Account Management structure.

A key factor that is expected to affect GRP's business in export markets is the continued decline in GDP growth in China, the largest producer of reclaim rubber globally. Only a miniscule part of the reclaim rubber produced in China reaches the global market outside China – it is largely consumed within the country. With economic activity slowing down in China, there are already signs of surplus reclaim rubber in China finding its way into global markets. This is likely to create a supply – demand mismatch leading to pressure on prices. This trend was already visible in several markets towards the second half of the previous year and is only going to accelerate and expand.

Continued focus on expanding our global footprint continues to yield good results with supplies into five new countries established in the year under review. East Europe, Africa are the regions where we have made recent inroads with improved volumes.

### **Outlook**

With the revival in economic activity in the developed world (especially in North America and Europe) and expectations of a better 2015-16, demand for reclaim rubber is expected to continue to grow. Low NR & SR prices will, however, keep growth muted to some extent. The silver lining on the horizon is the growing automotive sector in Europe, N America and the revival of vehicle demand in India. This is expected to have a positive impact on rubber goods sector helping the reclaim rubber industry grow as well, albeit with lower margins.

However, GRP's strong distribution network in several countries continues to help us acquire more customers. In most countries that we supply, GRP is the clear market leader and we would continue to consolidate our presence in these markets in 2015-16. The expected growth in India will mean that India will receive even greater attention than before; if the government sustains the momentum of economic reforms, this could lead to many years of consistent growth.

Your company has taken active steps through its R&D centers for development of improved product, alternate process technology to help improve sales realization, reduce dependence on man power to reduce cost and differentiate in the industry to insulate margins from a lower polymer price regime.

Your company continues to invest in the industrial polymers business. Patents for an alternate process have been applied for in India, North America and European Union. The process commercialization is under way and is expected to significantly contribute to the company's results in the years to come.

Your company continues to evaluate opportunities for growth emanating from its vast supply change which is closely linked to the transportation sector. These opportunities would help at improving margins and gain improved partnership with its supplier network.

### **Internal controls:**

Your Company is equipped with adequate internal control system to ensure that its assets are protected against loss of unauthorized use and improper handling. The internal control systems are commensurate with the size and nature of business. Your Company has engaged the services of an able and reputed firm, M/s Aneja Associates, who are authorized by the Audit Committee to assess the adequacy and compliance of internal control process, statutory requirements, etc. In addition to M/s Aneja Associates who are conducting operational, financial and compliance audit, there are local internal auditors at the Plants conducting transactions audit. At the beginning of every year the Top Management develops a flexible risk based audit plan for the Company, which includes a mix of financial, operational and compliance topics. The audit coverage includes Corporate, core business operations, as well as support function activities. The annual internal audit plan is approved by the Company's Audit Committee. The key audit results and recommended management actions are presented to the Audit Committee of the Board headed by a Non-executive Independent Director, on a quarterly basis.

### **Risk Management:**

Your Company follows a proactive risk management policy, aimed at protecting its employees, assets and the environment, while at the same time ensuring growth and continuity of its business. Regular updates are made available to the Directors at the Board Meeting.

Key risks identified for your Company are as follows:

- **Business Related Risks:**  
Inability of the Company to command sale price rise on account of inflationary effects on the input materials, power cost, rising wage costs and overheads etc., could erode margins. To mitigate this risk your Company constantly engages in cost reduction measures, expanding business to new markets and new customers thereby increasing volumes.
- **Foreign exchange fluctuation risks:**  
Your Company's exports to US, Europe and South East Asia are subject to foreign exchange fluctuations, which impact realisations. Your Company does foreign exchange hedging at regular intervals in line with guidance from leading banks and financial advisors.

- **Environment and Safety Risks:**  
Your Company's manufacturing units are subject to environmental and safety risks. While your Company is adhering to the local legislation on environmental protection, such adherence is supported by standards, rules, guidelines and audits at regular intervals by experts, to ensure safety standards are put in place to safeguard people, environment and products.
- **Risks due to fire and flood:**  
Your Company's property and stocks are subject to risks of loss due to fire and flood and these are mitigated with insurance and fire detecting and fire fighting equipment and proper security personnel.
- **Risks due to frauds and errors:**  
These risks are mitigated by putting controls in place and periodic internal audits which can act as a preventive measure.

#### **Human Resources:**

Your company had 1301 employees as on 31<sup>st</sup> March, 2015 as against 1311 employees as on 31<sup>st</sup> March, 2014. Your Company has various HR initiatives in place designed to ensure that GRP employees continue to be productive, efficient and believe the Company to be a great place to work and build a career. HR initiatives are also in place to drive and emphasize the GRP values: Maintaining Balance, Adaptable to change, Commitment, Integrity, Teamwork. The HR Department has commenced initiation and implementation of training need analysis, sourced trainers and have started implementation of Learning & Development activities for the next 2 years, implemented an online Employee Satisfaction Survey, conducted a Compensation & Benefit survey for the Company.

Your Company has a development programme designed to develop leaders and build a talent pipeline. Your Company has cordial relations with employees at all levels.

#### **Manufacturing:**

Initiatives on the manufacturing side include successful implementation of Five-S Workplace Management System, Six Sigma projects. The same has resulted in improved productivity, yield, output, process, efficiency of workers.

#### **Health Safety and Environment:**

Your Company maintains the highest standards of Occupational Health, Safety and Security. All five plants of your Company are certified for the Environment Management System (ISO14001:2004) and Occupational Health & Safety Management Systems (OHSAS 18001:2007). Your Company also implements ISO 9001:2008 (Quality Management System Standard).

Your Company has taken many initiatives towards environment conservation viz use of wind energy.

All employees of the Company involved directly in manufacturing and project management were provided with safety awareness trainings through various initiatives.

As per Maharashtra Pollution Control Board norms we have arranged yearly Environment Audit from third party i.e. Global Enviro Tech Services in November 2014 at Chincholi plant.

#### **Raw Materials:**

The slow down in the automobile industry has led to reduced availability of end of life (EOL) tyres. The domestic demand for EOL tyres has been from the pyrolysis industry, apart from reclaimed rubber industry. The pressure on prices of raw material was intense during the first half of financial year 2014-15, there was some respite due to lower oil prices in the second half. Your company has developed import sources of EOL tyres, tubes and other raw materials to help off set the pressures on domestic competition. Total import of materials represent 3.45% of the company's spend on the raw materials and this would increase in the coming years, subject to regulatory permissions.

#### **Cautionary Statement :**

Statement in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectation may be forward looking within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. The company assumes no responsibility to publicly amend, modify or reverse any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board of Directors of GRP Limited

Place : Mumbai  
Date : 30<sup>th</sup> May, 2015

Rajendra Gandhi      Harsh Gandhi  
Managing Director      Executive Director

Corporate Governance may be described as a set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders. It ensures Commitment to values and ethical conduct of business, transparency in business transactions, Statutory and legal compliances; adequate disclosures and effective decision-making to achieve corporate objectives. In other words, Corporate Governance is about promoting corporate fairness, transparency and accountability. Good Corporate Governance is simply Good Business.

## 1. Company's Philosophy on Corporate Governance

Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company. Any good Corporate Governance provides an appropriate framework for the Board, its committees and senior management, to carry out the objectives that are in the interest of the Company and the stakeholders.

The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. We believe that sound Corporate Governance is critical to enhancing retaining investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchange, the details are set out below:

## 2. Board of Directors

### A) Composition:

The composition of the Board of Directors of the Company was in conformity with Clause 49 of the Listing Agreement during the financial year 2014-15, except non compliance regarding the composition of independent directors during the quarter October to December 2014. The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. As on 31<sup>st</sup> March, 2015, the Board of Directors comprises seven directors out of which one Executive Director (Promoter) as the Managing Director, three Non-Executive & Independent Directors, two Non-executive & Non-independent Directors and one Executive Non-independent Director. Since there is no permanent chairperson of the Board, the same is appointed at every meeting of the Board of Directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under the existing Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013.

### B) Board Meeting:

Five board meetings were held during the financial year ended 31<sup>st</sup> March, 2015 viz. on 26<sup>th</sup> May, 2014; 28<sup>th</sup> July, 2014; 14<sup>th</sup> November, 2014; 4<sup>th</sup> February, 2015 & 13<sup>th</sup> February, 2015.

Board procedure: The company places before the Board all the details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. The agenda is circulated in advance to the Board members. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Executive Director keeps the Board apprised of the overall performance of the Company at the Board meetings.

Attendance and other directorships: The attendance of the Board of Directors and related information as on 31<sup>st</sup> March, 2015 is as under :

Name of Director & Designation	Category	No. of Board Meetings		Attendance at Last AGM on 28.07.2014	Number of Directorships in other Indian Public Limited Companies	No. of Committees #	
		Held	Attended			Member	Chairman
Rajendra V. Gandhi (Managing Director)*	Executive (Promoter)	5	5	Yes	3	3	2
Mahesh V. Gandhi	No Executive (Promoter)	5	5	Yes	1	-	-
Dr. Peter Phillip	Non Executive and Non Independent	5	4	Yes	5	-	2
Rajeev M. Pandia	Non Executive and Independent	5	5	Yes	2	-	1
Bhagwandas T. Doshi	Non Executive and Independent	5	3	No	1	1	-
Apurva R. Shah+	Non Executive and Independent	5	1	N.A	4	6	1
Harsh R. Gandhi	Executive (Promoter Group)	5	4	Yes	1	1	-
Nikhil M. Desai*	Non Executive (Promoter)	5	3	No	-	-	-
Atul S. Desai*	Non Executive and Independent	5	3	No	-	2	-

+ Appointed to the board on 4<sup>th</sup> February, 2015.

# it excludes committees other than Audit committee, Stakeholders Relationship committee and companies other than public limited company but includes committee membership / chairmanship in GRPLtd.

\*Note: Rajendra V. Gandhi ceased to be the Chairman of the Board w.e.f. 4<sup>th</sup> February, 2015 and is designated as Managing Director of the Company. Nikhil M. Desai & Atul S. Desai ceased to be a director of the Company w.e.f. 4<sup>th</sup> February, 2015.

Disclosure of relationship between directors inter-se:

- a) Rajendra V. Gandhi and Mahesh V. Gandhi are related to each other as brothers.  
b) Harsh R. Gandhi is the son of Rajendra V. Gandhi.

Except the above, there is no other inter-se relationship between the directors.

### 3. Audit Committee

#### i) Brief description of terms of reference:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal and
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### ii) Composition, Name of Members and Chairperson

Name of Director	Category	Audit Committee Meetings		Current position held in the committee
		Held	Attended	
Rajeev M. Pandia	Non Executive Independent	4	4	Chairperson
Dr. Peter Philip	Non Executive Non Independent	4	3	Member
Bhagwandas T. Doshi	Non Executive Independent	4	2	Member
Apurva R. Shah #	Non Executive Independent	4	1	Member
Rajendra V. Gandhi*	Executive Non Independent	4	3	Member
Atul S. Desai*	Non Executive Non Independent	4	3	Member

# appointed as a member of Audit committee on 04.02.2015

\* ceased to be a member of the Audit committee from 04.02.2015.

iii) **Meetings during the year**

Audit Committee met four times during the last financial year on 26<sup>th</sup> May, 2014; 28<sup>th</sup> July, 2014; 14<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015

4. **Nomination and Remuneration Committee (Formerly known as Remuneration Committee)**

i) **Brief description of terms of reference**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

ii) **Composition, Name of members and Chairperson**

Name of Director	Category	Nomination and Remuneration Committee Meeting		Current position held in the committee
		Held	Attended	
Rajeev M. Pandia	Non-Executive Independent	2	2	Chairperson
Dr. Peter Philip	Non-Executive Non Independent	2	1	Member
Bhagwandas T. Doshi	Non-Executive Independent	2	2	Member

iii) **Remuneration Policy:**

The Policy inter alia provides for the following:

- (a) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (b) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance;
- (c) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (d) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board;

iv) **Details of Remuneration paid to the Managing Director and Executive Director for the year ended 31<sup>st</sup> March 2015.**

Total remuneration paid to the Managing Director and Executive Director during the financial year 2014-15 was as under :

Name	Designation	Salary (Rs.)	Commission (Rs.)	Contribution to Provident and Pension Fund
Rajendra V. Gandhi	Managing Director	75,20,000/-	Nil	7,16,800/-
Harsh R. Gandhi	Executive Director	1,09,36,774/-	Nil	9,91,000/-

v) During the financial year 2014-15, the Company has made the following payments to the Non-executive directors

Sr. No.	Name of Director	Sitting Fees (Rs.)	Commission (Rs.)
1	Mahesh V. Gandhi	75,000/-	Nil
2	Dr. Peter Philip	96,000/-	Nil
3	Bhagwandas T. Doshi	83,000/-	Nil
4	Rajeev M. Pandia	1,39,000/-	12,00,000/-
5	Apurva R. Shah	31,000/-	Nil
6	Nikhil M. Desai	45,000/-	Nil
7	Atul S. Desai	75,000/-	Nil



## 5. Stakeholders Relationship Committee (Formerly known as Investors' Grievance Committee):

### i) Composition, Name of members and Chairperson

Name of Director	Category	Current position held in the committee
Apurva R. Shah	Non Executive Independent	Chairperson
Rajendra V. Gandhi	Executive Non Independent	Member
Harsh R. Gandhi	Executive Non Independent	Member

Company did not hold any meetings of this committee during the Financial Year 2014-15, as there were not agenda items which were required to be placed before this committee

### ii) Name & Designation of Compliance Officer

Ganesh A. Ghangurde, President & Chief Financial Officer & Company Secretary.

### iii) A Statement of various complaints received and cleared by the Company during the financial year 2014-15 is given below:

Nature of Complaints	Received	Cleared	Pending
Non receipt of dividend	Nil	Nil	Nil
Non receipt of Annual report	Nil	Nil	Nil
Total	Nil	Nil	Nil

## 6. Corporate Social Responsibility (CSR) Committee

### i) Brief description of terms of reference

- Formulate and update CSR Policy, which will be approved by the Board
- Suggest areas of intervention to the Board
- Approve projects that are in conformance with the CSR policy
- Put monitoring mechanisms in place to track the progress of each project
- Recommend the CSR expenditure to the Board for approval

### ii) Composition, Name of members and Chairperson

Name of Director	Category	Current position held in the committee	CSR Committee Meeting	
			Held	Attended
Rajeev M. Pandia	Non-Executive Independent	Chairperson	1	1
Rajendra V. Gandhi	Executive (Promoter)	Member	1	1
Harsh R. Gandhi	Executive Director	Member	1	1

## 7. Meeting of Independent Directors:

During the year under review, all the Independent Directors of the Company met on 30<sup>th</sup> March, 2015, to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company (to the extent applicable) and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

## 8. General Body Meetings

Financial Year Ended	Date	Time	Nature	Special Resolutions passed
31 <sup>st</sup> March, 2012	12 <sup>th</sup> June, 2012	2.30 PM	EGM	1. Change in name of Company. 2. Reappointment & revision in remuneration of Harsh R. Gandhi as Executive Director
31 <sup>st</sup> March, 2012	24 <sup>th</sup> August, 2012	2.30 PM	AGM	No Special Resolution was passed at this meeting.
31 <sup>st</sup> March, 2013	4 <sup>th</sup> September, 2013	2.30 PM	AGM	Re-appointment of Rajendra Gandhi as Vice-Chairman & Managing Director
31 <sup>st</sup> March, 2014	28 <sup>th</sup> July, 2014	11.30 AM	AGM	No Special Resolution was passed at this meeting.

Venue for all the above mentioned general meetings was registered office i.e. Plot No.8, GIDC Estate, Ankleshwar, Dist Bharuch, Gujarat – 393002.

During the financial year 2014-15 under review, resolutions were passed by the shareholders through postal ballot. The Board had appointed Mr.Chetan R. Shah, Practicing Company Secretary, as the scrutinizer to conduct the postal ballot process. The result of the postal ballot was announced on 24<sup>th</sup> March, 2015. Details of these resolutions and the voting pattern were as follows :

Description of Resolutions	Total Votes in favour of the resolution (E-voting and voting by postal ballot)	Total Votes against the resolution (E-voting and voting by postal ballot)
Special Resolution: Alteration of Articles of Association to include provision for appointment of same individual as Chairperson and Managing Director	3,51,887	4,875
Ordinary Resolution: Appointment of Rajeev M. Pandia as an Independent Director	3,56,712	0
Ordinary Resolution: Appointment of Bhagwandas T. Doshi as an Independent Director	3,56,712	0
Ordinary Resolution: Appointment of Apurva R. Shah as an Independent Director	3,44,212	12,500
Special Resolution: Payment of fees to Rajeev M. Pandia in his professional capacity as a Technical Consultant	3,56,762	0

## 9. Disclosures

- During the financial year 2014-15, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, directors and management that had a potential conflict with the interest of the Company at large. All the transactions with related parties are periodically placed before the Audit Committee. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every meeting for its approval. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in Note No.33 to the Accounts in the Annual report and they are not in conflict with the interest of the Company at large.
- There have been no instances of non-compliance (except non compliance regarding composition of the board of directors) on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three financial years, except that the composition of the board of directors relating to independent directors was not as per the listing requirement during the quarter October to December 2014.
- The company has framed a formal whistle blower policy and affirm that the employees of the company have free access to the Board of Directors, Audit Committee and Senior Management personnel to report their concerns about unethical behaviour, fraud or violation of statutory requirements, with assurance from the management to protect the employees from victimization in case they report any such unethical or fraudulent behaviour.
- The company has complied with the mandatory requirements regarding the Board of Directors, Audit Committee and other Board committees and other disclosures as required under the provisions of the revised Clause 49 of the Listing agreement, except that the composition of the board of directors relating to independent directors was not as per the listing requirement during the quarter October to December 2014. The company has not adopted non-mandatory requirements of Clause 49 of Listing Agreement.
- Shareholding of the Non-Executive Directors in the company as on 31<sup>st</sup> March, 2015

Name of the Non-executive Director	No. of shares held
Dr. Peter Philip	1333
Bhagwandas T. Doshi	2310
Mahesh V. Gandhi	62500
Rajeev M. Pandia	Nil
Apurva R. Shah	Nil

## 10. Means of Communication

The company regularly publishes its quarterly, half-yearly and annual results within the prescribed time limit and in the prescribed format in National and Regional Daily Newspapers viz. The Indian Express, Loksatta, The Financial Express and Sandesh. These results are also made available on the web site of the company [www.grpweb.com](http://www.grpweb.com)

Company is also in compliance with the listing agreement regarding the communication to the stock exchanges.

## 11. General Shareholder information

### i) Annual General Meeting

Day, date and time	Monday 27 <sup>th</sup> July, 2015 at 12.30 P. M.
Venue	Plot No. 8, G.I.D.C. Estate, Ankleshwar – 393002

ii) **Financial year:** 1<sup>st</sup> April to 31<sup>st</sup> March.

### iii) Date of Book Closure

Tuesday 21<sup>st</sup> July, 2015 to Monday 27<sup>th</sup> July, 2015 (both days inclusive).

### iv) Dividend payment date

Date of payment of dividend for the financial year 2014-15, shall be with in 30 days from 27th July, 2015.

### v) Listing on Stock Exchanges:

Name of Stock Exchange	ISIN No.	Scrip Code
BSE Ltd.	INE137I01015	BSE 509152
NSEIL	INE137I01015	GRPLTD (series - EQ)

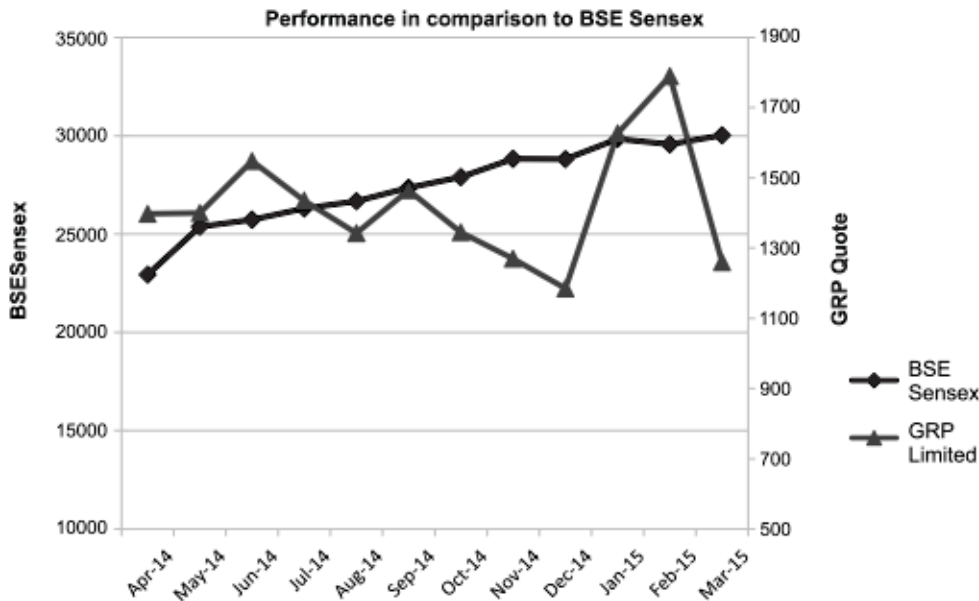
The listing fees have been paid to both the above Exchanges for the financial year 2015-16.

vi) **Market Price Data:** High, low during each month during the financial year 2014-15. Monthly Share Price data of the Company's equity shares of Rs.10/- each fully paid up, traded on BSE and National Stock Exchange of India Limited for the year ended 31<sup>st</sup> March, 2015 is as under :

Month	BSE		NSE*	
	Highest Rate (Rs.)	Lowest Rate (Rs.)	Highest Rate (Rs.)	Lowest Rate (Rs.)
April 2014	1398.00	1055.00	-	-
May 2014	1400.00	1115.00	-	-
June 2014	1547.95	1210.00	-	-
July 2014	1435.00	1200.10	-	-
August 2014	1342.50	1055.00	-	-
September.2014	1465.00	1270.00	-	-
October 2014	1345.20	1207.50	-	-
November 2014	1269.95	1064.95	-	-
December 2014	1185.00	1061.00	-	-
January 2015	1626.75	1105.00	-	-
February 2015	1790.00	1221.00	1790.00	1209.00
March 2015	1260.00	1001.00	1319.95	1015.00

\* Company's shares are listed on National Stock Exchange of India Limited w.e.f.12<sup>th</sup> February, 2015

## vii) Performance in comparison to BSE sensex



## viii) Name and Address of the Registrar and Share Transfer Agent

Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai – 400 093. Tel:022-28207203-05/28257641. Fax:022-28207207. E-mail : gamare@uniseq.in

## ix) Share Transfer System

Physical shares lodged for transfer are processed by the Registrar and Transfer Agent on a monthly basis and generally registered and returned within a period of fifteen days from the date of receipt, if the documents are complete in all respects. The requests for the dematerialization of shares are processed by Registrar and Share Transfer Agents and if all the documents are found to be in order, the same are approved by them with in a period of fifteen days. Dematerialized Shares are transferred as per the depository procedure directly and Registrar and Share Transfer Agent updates record on weekly basis.

(1) Distribution of Share Holding as on 31<sup>st</sup> March, 2015 :

No. of shares held		Shareholders		Shareholding		Share Amount	
From	To	Number	% to Total	Holding	% to Total	Rs.	% to Total
1	500	1980	88.910	145067	10.880	1450670	10.880
501	1000	109	4.894	81056	6.079	810560	6.079
1001	2000	49	2.200	71374	5.353	713740	5.353
2001	3000	23	1.033	61449	4.609	614490	4.609
3001	4000	9	0.404	32921	2.469	329210	2.469
4001	5000	13	0.584	62631	4.697	626310	4.697
5001	10000	16	0.718	114316	8.574	1143160	8.574
10001	And Above	28	1.257	764519	57.339	7645190	57.339
	<b>Total</b>	<b>2227</b>	<b>100.000</b>	<b>1333333</b>	<b>100.000</b>	<b>13333330</b>	<b>100.000</b>

(2) Shareholding pattern as on 31<sup>st</sup> March, 2015

Categories	No. of Shares	Amount in Rs.	% to total
Promoter and Promoter Group holding	610221	6102210	45.77
Public holding			
Directors (independent)	2310	23100	0.17
Mutual Fund / Banks	50	500	0.00
NRIs / OCBs	19566	195660	1.47
Bodies Corporate	62123	621230	4.66
Public	639063	6390630	47.93
Total	1333333	13333330	100.00

x **The Company has not issued any GDRs / ADRs, warrants or any other convertible instruments.**

xi **Plant Location**

Ankleshwar, Panoli, Solapur and Perundurai.

xii **Address for Correspondence :**

GRP Limited

510, "A" Wing, Kohinoor City Commercial – I, Kirod Road, Off. L. B. S. Marg, Kurla (W), Mumbai 400 070.

**Telephone:** +(91)-(22)-67082500/6708260 **Fax :** +(91)-(22)-25004376 / 67969240

**Email :** investor.relations@grpweb.com

12. **Declaration by the Managing Director for compliance with code of conduct in pursuance of clause 49 (II) (E) (2) of the listing agreement**

I hereby declare that all the board members and senior management personnel of the company have affirmed to the board of directors, their compliance with the code of conduct of the company for the financial year 2014-15, pursuant to clause 49 (II) (E) (2) of the listing agreement.

Place : Mumbai  
Date : 30th May, 2015

Rajendra V. Gandhi  
Managing Director

13. **Managing Director and CFO certification, issued pursuant to the provisions of clause 49 (IX) of the listing agreement :**

To The Board of Directors of GRP Ltd.

We have reviewed financial statements and the cash flow statement of GRP Ltd., for the year ended 31st March, 2015 and to the best of our knowledge and belief, we state that :

- a) (i) These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be mislead;  
(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards with applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have not come across any reportable deficiencies in the design or operation of such internal controls.

- d) We have indicated to the Auditors and the Audit Committee
- (i) that there are no significant changes, in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year.
  - (iii) that there are no instances of significant fraud of which we have become aware. However, the company has been subjected to a cyber crime during the year resulting in a sum of USD 6,38,367 equivalent to Rs.3,98,97,938/- being paid by an overseas customer into an unauthorized account. The company continues to treat this as recoverable from the customer and necessary steps in this regard have already been initiated by the company and it is hopeful about the full recovery of the same.

Ganesh A. Ghangurde  
President & Chief Financial Officer & Company Secretary

Rajendra V. Gandhi  
Managing Director

Mumbai, 30<sup>th</sup> May, 2015

The above certificate was placed before the meeting of Board of Directors held on 30<sup>th</sup> May, 2015.

#### **14. Auditors' Certificate on Corporate Governance**

Certificate regarding compliance of conditions of Corporate Governance, as stipulated in the listing agreement with the Stock Exchange, received from M/s. A. B. Modi & Associates, Chartered Accountants, auditors of the company, is annexed to this report. The said certificate will also be sent to the Stock Exchange/s along with the annual return to be filed by the company.

## **CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

### **To the Members of GRP Limited**

We have examined the compliance of conditions of Corporate Governance by GRP Limited for the year ended 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (As stipulated in Clause 49 of the Listing Agreement), issued by the Institute Of Chartered Accountants of India and was limited to the 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 mainly complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement except non compliance of requirement of having adequate number of Independent Directors during the quarter October to December, 2014.

We 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.

For A. B. Modi & Associates  
Chartered Accountants  
ICAI Firm Registration No. 106473W

(Rajesh S. Shah)  
Partner  
Membership No. 17844

Place: Mumbai  
Date: 30<sup>th</sup> May, 2015

FORM NO. MR-3

Annexure 4

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To,  
The Members,  
GRP LIMITED.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GRP LIMITED** (hereinafter called the Company) (CIN:L25191GJ1974PLC002555) having its registered office at Plot No.8, GIDC Estate, Ankleshwar – 393002, Dist. Bharuch, Gujarat. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **GRP LIMITED** (the Company) for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws as may be applicable specifically to the Company:
  - Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
  - Indian Boilers Act, 1923

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

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

- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
- B) The Directors have signed against their respective names after the meeting has been held.
- C) The Company had not received any proxy forms for the Annual General Meeting for the financial year ended 31st March, 2014.
- D) The Company has not complied with requirements of at least one-third of the total number of directors as independent directors as stated in Clause-49 of Listing Agreement during the Third Quarter ended 31st December, 2014. However, in the next Quarter i.e. during the quarter ended 31st March, 2015 this requirement was complied with by the Company.
- E) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.



- F) The Company has obtained all necessary approvals under the various provisions of the Act;
- G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

**I further report that**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
- B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

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

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

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place: Ahmedabad  
Date: 9th May, 2015`

Sd/-  
Name of Company Secretary in Practice : Chetan R. Shah  
F.C.S. No.: 2703  
C. P. No.: 4253

## ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. Brief outline of the Company's CSR policy  
Company's CSR policy is to -
  - contribute towards social and economic development of the communities where it operates.
  - in addition, Company wants to build a sustainable way of life for all sections of society,
  - with emphasis and focus on Education, Health Care, Sustainable Livelihood and Empowerment of Women.
2. An over view of activities proposed to be undertaken:  
Broad areas of CSR policy activities covers -
  - Education:
    - Balwadis / Mobile vans for elementary education
    - Vocational training for adult education
    - Merit based scholarship to support University Education
    - Strengthen/support existing institutes engaged in providing primary, secondary and higher level education.
  - Health care:
    - Primary health care centers
    - Mobile health care projects
    - Preventive health through awareness programs
  - Sustainable Livelihood:
    - Vocational training aimed at employability
    - Supporting initiatives around Yoga, meditation, other self-help
    - Awareness programs for clean living/housing facilities (5S, etc.)
    - Awareness programs on hygiene, safe water
    - Encouraging plantation of trees through self help groups of women
  - Empowerment of Women
    - Girl child education upto University level
    - Supporting groups for women empowerment
3. Reference to the web-link to the CSR policy:  
The web-link is – <http://www.grpweb.com/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>
4. The composition of the CSR Committee:

Sr. No	Name of the member	Designation
1	Rajeev M. Pandia	Chairman of Committee (Independent Director)
2	Rajendra V. Gandhi	Managing Director
3	Harsh R. Gandhi	Executive Director

5. Average Net Profit of the company for last 3 financial years:

Financial Year	Net Profit as per Section 198 of Companies Act, 2013 (Rs. In lakh)
2013-14	2077.72
2012-13	1938.42
2011-12	4063.52
Total Average	8079.66
Average Profit	2693.22

6. Threshold Limit- (2%of the amount as mentioned in 5 above) - Rs. 53.86 Lakh

7. Details of CSR activities undertaken during the year (2014-15)  
 a. Total amount to be spent for the financial year – Rs. 53.86 lakh.  
 b. Amount unspent – Nil.  
 c. Manner in which the amount spent during the year:

Sr. No. & Date	CSR activity identified	Sector in which the Project is covered	Projects / Programmes 1. Local area / others 2. specify the state / district (Name of the District/s, State/s where project/ programme was undertaken)	Amount outlay (budget) project/ programmewise (Rs. in lakh)	Amount spent on the project / program Subheads: 1. Direct expenditure on project, 2. Overheads: (Rs. in lakh)	Cumulative spend upto the reporting period. (Rs. in lakh)	Amount spent: Direct/through implementing agency *
1 04/06/2014	GPCB World Environment Day	Environment	Local, Gujarat.	0.10	0.10	0.10	Ankleshwar Industrial Association
2 06/08/2014	Donation to PRAVARA Medical Trust, Loni Budruk, District Ahmednagar	Health Care	Ahmednagar, Maharashtra	50.00	50.00	50.00	PRAVARA Medical Trust
3 24/09/2014	K.C.Mahindra Education Trust	Education	Local, Maharashtra	3.40	3.40	3.40	K.C.Mahindra Education Trust
4 24/09/2014	United Way Of Mumbai For Nanhi Kali Foundation	Education	Local, Maharashtra	0.60	0.60	0.60	United Way Of Mumbai
5 25/09/2014	Ankleshwar Rotary Welfare Trust	Education	Local, Gujarat.	0.11	0.11	0.11	Ankleshwar Rotary Welfare Trust
6 15/01/2015	Ankleshwar Industrial Development Society Mobile Education Van	Education	Local, Gujarat.	1.00	1.00	1.00	Ankleshwar Industrial Development Society
7 25/03/2015	Smt. R. D. Gardi Bhavnagar Stree Kelvani Mandal	Woman Empowerment	Bhavnagar, Gujarat	0.75	0.75	0.75	Smt. R. D. Gardi Bhavnagar Stree Kelvani Mandal
	Total			55.96	55.96	55.96	

\* Details of implementing Agency:

8. The company has spent more than 2% of the Average Net Profit (INR) of the last 3 financial years.
9. Responsibility statement of the CSR Committee :  
 The implementation and monitoring of the CSR policy by the Company is in compliance with CSR objectives and policy of the Company.

Sd/-  
Rajendra V. Gandhi  
(Managing Director &  
Member CSR Committee)

Sd/-  
Rejeev M. Pandia  
(Chairman CSR Committee)

Sd/-  
Harsh R. Gandhi  
(Executive Director &  
Member CSR Committee)

Particulars of loans and investments as on 31<sup>st</sup> March, 2015 made under Section 186 of the Companies Act, 2013

Sr. No.	Particulars	Rs. (lakhs)	Rs. (lakhs)
1	Loans (A) : Loans to Grip Polymers Ltd., (wholly owned subsidiary)		45.92
2	Investments (B) : a) Trade investment (unquoted) Investment in subsidiaries 50000 equity shares of Rs. 10/- each fully paid up held in Grip Polymers Ltd. b) Other investment (unquoted) i) 129000 equity shares of Rs. 10/- each fully paid up in Bharuch Eco Aqua Infrastructure Ltd. ii) 447500 equity shares of Rs. 10/- each fully paid up in IRIS Eco Power Venture Pvt. Ltd.	12.90 44.75	1.01 57.65
	Sub Total : B		58.66
	Total : (A+B)		104.58

Annexure - 7

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ Transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Rajendra V. Gandhi (Managing Director)	Sale of Residential House Property on cash basis.	Not Applicable	Rs. 6,00,00,000/- (Six Crores Only). 04/07/2014	03.02.2014	Rs. 4,50,00,000/- (Four Crores Fifty Lakhs Only)
2	Rajendra V. Gandhi (Managing Director)	Sale of Furniture in Residential House Property on cash basis	Not Applicable	Rs. 65,00,000/- (Sixty five Lakhs Only). 08/08/2014	03.02.2014	Rs. 65,00,000/- (Sixty five Lakhs Only).
3	Hemal H. Gandhi (Manager - Corporate Services)	Appointment to office or place of profit - Revision in Remuneration	Not Applicable	Revision in remuneration from Rs.5,59,000/- to Rs.7,50,000/- p.a.	14.11.2014	Not Applicable

For and on behalf of the Board of Directors of GRP Limited

Place : Mumbai  
Date : 30<sup>th</sup> May, 2015

Rajendra Gandhi  
Managing Director

Harsh Gandhi  
Executive Director

## NOMINATION AND REMUNERATION POLICY

Annexure 8

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors at its meeting held on 30th May, 2015.

### Definitions:

- 1) "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
- 2) "Key Managerial Personnel" means:
  - i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
  - ii) Chief Financial Officer;
  - iii) Company Secretary; and
  - iv) such other officer as may be prescribed.
- 3) "Senior Managerial Personnel" mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to President, Vice President and above. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### Objective:

The objective of the policy is to ensure that,

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMP and senior managerial personnel of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and to identify persons who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition and size.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

### Appointment of Director, Key Managerial Personnel and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

#### Term / Tenure:

##### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### Training of Independent directors:

- The company shall provide suitable training to Independent Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. as per Annexure - A to this Policy.
- The details of such training imparted shall be disclosed in the Annual Report

#### Evaluation:

- a. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
- b. Framework for performance evaluation of Independent Directors and the Board is as per Annexure - B to this Policy.

#### Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### Remuneration to Directors / KMP / Senior Management Personnel

##### 1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

##### 2) Remuneration to Non- Executive / Independent Directors:

- a) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- b) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members

Annexure - A

### Familiarization Programme for Independent Directors

1. As required by the provisions of Schedule IV to the Act and the provisions of Clause 49, the Company is required to develop a Familiarization Programme for the Independent Directors of the Company.
2. The Company will impart Familiarization Programme for new Independent Directors inducted on the Board of the Company.
3. The Familiarization Programme of the Company will provide information relating to the Company, the type of market and geographies in which the Company operates, business model of the Company etc.
4. The programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company. The Managing Director or such other authorized officer(s) of the Company shall lead the Familiarization Programme on aspects relating to business / industry. The Chief Financial Officer or such other authorized officer(s) of the Company may participate in the programme for providing inputs on financial performance of the Company and budget, control process, etc.

Annexure- B

### Framework for performance evaluation of Independent Directors and the Board

As per the provisions of Clause 49, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of Clause 49, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual Directors).

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Directors and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
  - 2.1 Knowledge to perform the role;
  - 2.2 Time and level of participation;
  - 2.3 Performance of duties and level of oversight; and
  - 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2015**

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

**I. Registration and other Details:**

i) CIN	- L25191GJ1974 PLC002555.
ii) Registration Date	- 29.06.1974
iii) Name of the Company	- GRP Limited
iv) Category / Sub-Category of the Company	- Company having Share Capital.
v) Address of the Registered office and contact details	- Plot No. 8, GIDC Estate, Ankleshwar – 393 002, Gujarat, India.
vi) Whether listed company (Yes / No)	- Yes.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	- Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp.Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai – 400 093

**II. Principal Business Activities of the Company**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Reclaimed Rubber	3129	96.96

**III. Particulars of Holding, Subsidiary and Associate Companies -**

1 Name and Address of the Company	- Grip Polymers Limited 510, 'A' Wing, Kohinoor City Commercial - I, Kiroli Road, Off L. B. Shastri Marg, Kurla (West), Mumbai 400 070.
CIN/GLN	- U25200MH1993PLC074922
Holding / Subsidiary / Associate	- Wholly Owned Subsidiary
% of shares held	- 100%
Applicable Section	- Section 2(87)

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	514333	2336	516669	38.75	524264	0	524264	39.32	0.57
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	115797	0	115797	8.68	85957	0	85957	6.45	-2.24
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	630130	2336	632466	47.43	610221	0	610221	45.77	-1.67
(2) Foreign									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	630130	2336	632466	47.43	610221	0	610221	45.77	-1.67



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	50	50	0.00	0	50	50	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	50	50	0.00	0	50	50	0.00	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	51348	2317	53665	4.02	59806	2317	62123	4.66	0.63
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	316423	62009	378432	28.38	347428	77408	424836	31.86	3.48
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	237255	17499	254754	19.11	215724	0	215724	16.18	-2.93
c) Others (specify)									
i) Clearing Members	979	0	979	0.07	813	0	813	0.06	-0.01
ii) NRI's /OCB's	12987	0	12987	0.97	19566	0	19566	1.47	0.49
Sub-total (B)(2):-	618992	81825	700817	52.56	643337	79725	723062	54.23	1.67
Total Public Shareholding (B)=(B)(1)+(B)(2)	618992	81875	700867	52.57	643337	79775	723112	54.23	1.67
c) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	1249122	84211	1333333	100.00	1253558	79775	1333333	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)		Shareholding at the end of the year (31.03.2015)		% change in shareholding during the year
		No. of shares	% total no of shares of the Company	No. of shares	% total no of shares of the Company	
1	Rajendra V. Gandhi	22315	1.67	22335	1.68	0.01
2	Mahesh V. Gandhi	62500	4.69	62500	4.69	-
3	Nikhil M. Desai	16995	1.27	16095	1.21	-0.06
	Total	101810	7.63	100930	7.58	-0.05

\*\*\* None of the promoters have pledged/encumbered shares during the stated period.

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

	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (01.04.2014)	Rajendra V. Gandhi Mahesh V. Gandh Nikhil M. Desai	22315 62500 16995	1.67 4.69 1.27		
Date wise Increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	08.08.2014 (market purchase)	10	0.00	22325	1.67
	12.12.2014 (market purchase)	10	0.00	22335	1.68
	Mahesh V. Gandhi	0	0.00	62500	4.69
	Nikhil M. Desai				
	07.11.2014	-900	-0.07	16095	1.21
At the End of the year (31.03.2015)	Rajendra V. Gandhi Mahesh V. Gandh Nikhil M. Desai			22335 62500 16095	1.68 4.69 1.21

(iv) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (01.04.2014)	1)Anil Kumar Goel 2)Divya Atul Desai 3)Enarjee Consultancy & trading Co. LLP 4)Harish V Gandhi 5)Harsh R Gandhi HUF 6)Mammen Philip 7)Meera Philip 8)Nayna R Gandhi 9)Rajendra V Gandhi HUF 10)Rashmi M Gandhi	20600 35875 88464 32558 22000 37816 81666 44105 46740 50209	1.55 2.69 6.63 2.44 1.65 2.84 6.12 3.31 3.51 3.77		
Date wise Increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	1)Anil Kumar Goel	0	0.00		
	2)Divya Atul Desai				
	08.08.2014 (market sale)	-1000	-0.08	34875	2.62
	3)Enarjee Consultancy & trading Co. LLP				0.00
	28.04.2014 (market sale)	-25010	-1.88	63454	4.76
	29.04.2014 (market sale)	-5000	-0.38	58454	4.38
	17.10.2014 (market purchase)	150	0.01	58604	4.40
	19.12.2014 (market purchase)	20	0.00	58624	4.40
	4)Harish V Gandhi	0	0.00		
	5)Harsh R Gandhi HUF	0	0.00		
6)Mammen Philip	0	0.00			
7)Meera Philip	0	0.00			
8)Nayna R Gandhi	0	0.00			
9)Rajendra V Gandhi HUF					
31.12.2014(market purchase)	10	0.00	46750	3.51	
10)Rashmi M Gandhi	0	0.00			

For Each of the Top 10 Shareholders	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the End of the year (31.03.2015)	1)Anil Kumar Goel			20600	1.55
	2)Divya Atul Desai			34875	2.62
	3)Enarjee Consultancy & trading Co. LLP			58624	4.40
	4)Harish V Gandhi			32558	2.44
	5)Harsh R Gandhi HUF			22000	1.65
	6)Mammen Philip			37816	2.84
	7)Meera Philip			81666	6.12
	8)Nayna R Gandhi			44105	3.31
	9)Rajendra V Gandhi HUF			46750	3.51
	10)Rashmi M Gandhi			50209	3.77

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

For Each of the Directors and KMP	Name of Directors / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (01.04.2014)	1)Rajendra V Gandhi	22315	1.67		
	2)Harsh R Gandhi	57535	4.32		
	3)Mahesh V Gandhi	62500	4.69		
	4)Dr. Peter Philip	1333	0.10		
	5)B.T. Doshi	2310	0.17		
	6)Rajeev M Pandia	0	0.00		
	7)Nikhil M Desai *	16995	1.27		
	8)Atul S Desai *	9125	0.68		
	9) Apurva R. Shah	0	0.00		
	10)Ganesh A Ghangurde (KMP)	266	0.02		
Date wise Increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	1)Rajendra V Gandhi 08.08.2014 (market purchase)	10	0.00	22325	1.67
	12.12.2014 (market purchase)	10	0.00	22335	1.68
	2)Harsh R Gandhi	0	0.00		
	3)Mahesh V Gandhi	0	0.00		
	4)Dr. Peter Philip	0	0.00		
	5)B.T. Doshi	0	0.00		
	6)Rajeev M Pandia	0	0.00		
	7)Nikhil M Desai *				
	07.11.2014(market sale)	-900	-0.07	16095	1.21
	8)Atul S Desai *	0	0.00		
9)Apurva R Shah	0	0.00			
10)Ganesh A Ghangurde (KMP)	0	0.00			
At the End of the year (31.03.2015)	1)Rajendra V Gandhi			22335	1.68
	2)Harsh R Gandhi			57535	4.32
	3)Mahesh V Gandhi			62500	4.69
	4)Dr. Peter Philip			1333	0.10
	5)B.T. Doshi			2310	0.17
	6)Rajeev M Pandia			0	0.00
	7)Nikhil M Desai *			16095	1.21
	8)Atul S Desai *			9125	0.68
	9)Apurva R Shah			0	0.00
	10)Ganesh A Ghangurde (KMP)			266	0.02

\* resigned w.e.f. 4th February, 2015

## V. Indebtedness

(Rs. In Lacs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	8299.95	20.94	177.45	8498.34
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	50.18	0.00	0.00	50.18
Total (i+ii+iii)	8350.13	20.94	177.45	8548.52
Change in Indebtedness during the financial year				
• Addition				
• Reduction	-1655.79	-15.89	-117.00	-1788.68
Net Change	-1655.79	-15.89	-117.00	-1788.68
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	6656.24	5.05	60.45	6721.74
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	38.10	0.00	0.00	38.10
Total (i+ii+iii)	6694.34	5.05	60.45	6759.84

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		R. V. Gandhi	H. R. Gandhi	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,520,000	10,936,774	18,456,774
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	413,792	413,792
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit			-
	- others, specify...	Nil	Nil	Nil
5	Others, please specify			
	Total (A)	7,520,000	11,350,566	18,870,566
	Ceiling as per the Act			18,870,566

### B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		R.M. Pandia	B.T. Doshi	A.R. Shah	
1	Independent Directors				
	• Fee for attending board & committee meetings	139,000	83,000	31,000	253,000
	• Commission	1,200,000	Nil	Nil	1,200,000
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	1,339,000	83,000	31,000	1,453,000
2	Other Non-Executive Directors	M.V Gandhi		Dr. P.Philip	
	• Fee for attending board & committee meetings		75,000	96,000	171,000
	• Commission		Nil	Nil	Nil
	• Others, please specify		Nil	Nil	Nil
	Total (2)		75,000	96,000	171,000
	Total (B)=(1+2)				1,624,000
	Total Managerial Remuneration (A +B)				20,494,566
	Overall Ceiling as per the Act				20,070,566

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Ganesh A. Ghangurde - Chief Financial Officer & Company Secretary	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	7,192,560	
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission - as % of profit - others, specify...		Nil
5	Others, please specify		Nil
	Total	7,192,560	
	Ceiling as per the Act		Not applicable

VII. Penalties / Punishment / Compounding of Offences :

Type	Section of the Companies Act	Breif Description	Details of Penalty / Punishment / Compounding	Authority (RD/ NCLT/ Court)	Appeal Made, if any (Give details)
A Company					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
B Directors					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
C Other Officers in Default					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			

## INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15

Name of director	Ratio of remuneration of each director to Median remuneration
Rajendra Gandhi	73
Harsh Gandhi	110
Rajeev Pandia	12
Dr.Peter Philip	0.85
B.T.Doshi	0.74
M.V. Gandhi	0.67
Atul Desai	0.67
Nikhil Desai	0.40
Apurva Shah	0.28

2. Percentage increase in remuneration of each director and Key Managerial personnel in the financial year 2014-15

Name of director	Percentage increase in remuneration in F.Y.2014-15
Harsh Gandhi	34.28
Nikhil Desai	200.00

3. Increase in the median remuneration of employees in the financial year 2014-15 is 4.65%.  
 4. Number of permanent employees on the rolls of the company as on 31.03.2015 : 1301  
 5. Explanation on the relationship between average increase in remuneration and company performance : The performance of the company during the financial year 2014-15 has been adversely affected as compared to previous year. However the low average increase of 4.65% mentioned in Sr.No. 3 above is mainly because of pending wage revision effective 1.4.2014 for Ankleshwarand Panoli plant workers.  
 6. Comparison of remuneration of the key managerial personnel against the performance of the company in the financial year 2014-15.

Particulars	F.Y. 2014-15 (Rs.lakhs)
Remuneration of all the key managerial personnel	278
Total income	34638
Operating profit	2574
Net worth	11247
Earnings per share (Rs.)	Rs.66.51
Operating profit to sales (%)	8%

7. a) Variations in the market capitalization of the company : The market capitalization based on the closing price of the equity shares of the company on Bombay Stock Exchange as on 31.3.2015 has decreased by 0.13% as compared to 31.3.2014.  
 b) Price earnings ratio : As on 31.3.2015 : 15.92  
 As on 31.3.2014 : 13.06  
 c) Percentage increase or decrease in the market quotations (as per Bombay Stock Exchange data) of the equity shares of the company in comparison to the rate at which the company came out with the last public offer in June 1977 :  
 As on 31.3.2015 : 10488%  
 As on 31.3.2014 : 10502%

8. a) Average percentage increase already made in the salaries of employees, other than the managerial personnel, in the financial year 2014-15 : 11.9%  
 b) Average percentage increase in the managerial remuneration in the financial year 2014-15 : 12%  
 c) The above percentage increase in the salaries of employees including those of managerial personnel in the financial year 2014-15 is commensurate with the past trend, nature of the industry and overall performance of the company.
9. Rajendra Gandhi, Managing Director and Harsh Gandhi, Executive Director are entitled to receive commission based on the net profits of the company during the financial year. Net profits are calculated as per Section 198 of the Companies Act, 2013 and the commission payable to each of the above two directors is subject to a limit of 1% of such net profit or twelve months' salary, whichever is less, in the financial year.
- Rajeev Pandia, an Independent Non-Executive Director is paid commission not exceeding 1% of the net profits of the company during the financial year. Net profits are calculated as per Section 198 of the Companies Act, 2013.
10. None of the employees, who are not directors of the company, has received remuneration in excess of the highest paid director during the financial year 2014-15.
11. The Board of Directors hereby affirm that the remuneration paid during the financial year 2014-15 to directors, key managerial personnel and senior management employees of the company is as per the remuneration policy of the company.
12. Statement for the financial year 2014-15 pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Rajendra Gandhi	Harsh Gandhi	Ganesh Ghangurde	Hemant Kaul
Designation	Managing Director	Executive Director	President & Chief Financial Officer & Company Secretary	Vice President (Marketing & Business Development)
Remuneration received (Rs.)	82,36,800	1,23,41,566	71,92,560	73,06,198
Nature of employment	Contractual	Contractual	Non Contractual	Non Contractual
Qualifications	B.Tech (IIT)	Science Graduate	B.Com.LL.B., ACA, ACS	B.Com., MBA
Experience (Years)	43	17	35	24
Date of commencement of employment	3rd August, 1974	1st October, 2001	14th August, 1984	4th June, 2012
Age (Years)	65	37	56	46
Last employment held	Ashok Export House	Boston Consulting Group	HCC Ltd.	Birla Tyres (Kesoram Industries Ltd.)
Percentage of Equity shares held	1.68	4.32	Not applicable	Not applicable
Names of Related directors	Mahesh V. Gandhi, Harsh Gandhi & Nayna Gandhi	Rajendra Gandhi & Nayna Gandhi	Nil	Nil

## INFORMATION PURSUANT TO SECTION 134 (3)(M) & (Q) OF THE COMPANIES ACT, 2013

### A) Conservation of energy, Technology absorption, Foreign exchange earnings and outgo :

#### 1. Conservation of energy:

##### Measures taken:

- a. Installation of capacitors and continuous monitoring of power factor and maintenance of capacitor, resulting in maintaining the power factor at each location above 0.95 and improving the power utilisation in the plant.
- b. Provision of automatic power factor panel to maintain the same at desired levels of above 0.95
- c. Savings in water consumption by using sewage treatment plant at Ankleshwar and Panoli plants.
- d. Regular maintenance of steam condensate traps and safety valves to avoid leakages.
- e. Use of variable frequency drive for fume extraction system at Panoli and Solapur plants to reduce the electrical consumption by about 4%.
- f. Scheduling of annual inspection of boilers on weekly off days to reduce the consumption of furnace oil.
- g. Installation of turbo ventilators in the factory roofings.
- h. Installation of energy meters on the high voltage motors in the plants and close monitoring of the motor load resulted in considerable reduction of losses due to inefficiencies.
- i. Use of Air Preheater Units in the heating units and boilers has resulted in savings in fuel by 2%.
- j. Tree plantation : planting of 60 big trees and 45 small trees at Chincholi (Solapur) plant, 3,985 plants along with saplings at Ankleshwar plant and 545 plants along with saplings at Panoli plant.

##### Impact of above measures :

Optimisation of energy consumption.

Savings in energy consumption

Received power factor incentive from State Electricity Board

Savings in energy and fuel cost.

#### 2. Technology Absorption:

Company does not use any imported technology for manufacture of reclaimed rubber.

##### a. Research & Development (R&D)

Company has set up a full-fledged R&D centre at its Panoli plant. The same has been approved during the financial year 2014-15, by Department of Scientific and Industrial Research (DSIR), Government of India, New Delhi. DSIR has also approved the pilot plant (located at Panoli) for recovery of nylon from ground rubber.

Your Company continues its endeavour towards the following:

- i. Development of new reclaiming process for different elastomers.
- ii. Improvements in existing process and product quality.
- iii. Development of poly-blends and thermoplastic elastomers.
- iv. Laboratory scale development for making anti tack solution for use in reclaim rubber sheets.
- v. Process improvement in the reclaimed rubber product and production area.
- vi. Laboratory scale development of value added products using waste and scrap of various elastomers.

Benefits derived as a result of above R&D :

There are encouraging results for anti tack solution for use in reclaimed rubber sheets.

Trials of two additives conducted at Panoli and Solapur have resulted in significant reduction of odour in the product and production area.

Laboratory scale recipe were successfully developed for 50:50 and 30:70, NBR : PVC poly blends

##### b. Expenditure on R&D

During the financial year 2014-15 your company has spent Rs.217.10 lakhs on revenue items debited to respective accounts in the Profit & Loss a/c and Rs. 308.82 lakhs on Plant & Machinery & Capital WIP relating there to.

#### 3. Foreign Exchange Earnings & Outgo

	<u>Rs. in Lakhs</u>
Earnings in foreign exchange towards export of goods	22,595
Foreign exchange outgo on account of imports, commission on exports and other expenses	1,497



B) Details in respect of adequacy of internal financial controls with reference to the financial statements:

Directors of your Company have laid down an adequate internal financial control system comprising of plan of the organization and all the coordinate methods and measures adopted with a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, encourage adherence to prescribed managerial policies, compliance with applicable laws and regulations and prevention and detection of errors and frauds.

The important elements of the internal financial control system are:

1. Planning
2. Budgeting
3. Operating and measurement
4. Reporting and Analysis

Various control techniques are in place such as prevention, detection and correction.

Control activities comprise of :

- 1) Top Level Reviews
  - a) Top Management Committee reviews the results of various areas of performance, comparing those results with budgets, competitor analysis and other benchmark measurements.
  - b) Review meetings are conducted by the Executive Director and the CFO and with the Head Of Departments at Head Office on a weekly basis.
- 2) Direct Functional Management  
All the functional heads are reviewing the operational reports on a daily basis and corrective action is taken up immediately wherever necessary.
- 3) Physical Controls  
Physical verification of inventories and cash is done on a monthly basis and fixed assets is conducted every year to cover all assets once in three years at HO and at all locations.
- 4) Compliance Controls  
Compliance Officer reviews the Compliance Report sent by concerned Head of Departments in the Organization.
- 5) Accounting and Administrative Controls
  - a) Duties are divided or segregated among different people to reduce the risk of inappropriate actions.
  - b) Transactions are executed in accordance with management's general or specific authorization.
  - c) Transactions are recorded as necessary to permit preparation of financial statements in conformity with the generally accepted accounting principles.

There is an effective Risk Management Program as an important component of Internal control. At each level and function in the organization, risks are identified and assessed. Measures to mitigate risks are noted and implemented. Risks for each function and measures are evaluated and discussed at the review meetings on a monthly basis by the Head of Departments at Head Office with the Top Management and the same is updated and presented to the Board on a quarterly basis.

## INDEPENDENT AUDITORS' REPORT

### To the Members of GRP Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of GRP Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015,
  - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Emphasis of Matters

9. We draw your attention to Note no.40 in the Notes to the financial statements in respect of Fraud occurred during the year on the Company.  
Our report is not qualified / modified in respect of this matter.

## Report on other Legal and Regulatory Requirements

- 10 As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.]
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements as referred to Note 31 to the financial statements.
    - ii. The Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

Place: Mumbai  
Date: 30th May, 2015

For A. B. Modi & Associates  
Chartered Accountants  
Firm Registration No:106473W

Rajesh S. Shah  
Partner  
Membership No.: 017844

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of GRP Limited on the financial statements as of and for the year ended March 31, 2015

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
 (b) The fixed assets have been physically verified by the management during the year as per regular programme of verification which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were found on such verification.
- (ii) (a) As explained to us, the inventory (excluding stocks lying with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.  
 (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
 (c) In our opinion and on the basis of our examination of the inventory records, the Company is generally maintaining proper records of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been dealt with in the books of account.
- (iii) The Company has granted unsecured loan to a company which is covered in the register maintained under Section 189 of the Act. The Company has not granted any secured / unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.  
 (a) In respect of the aforesaid loan, there was no amount due during the year.  
 (b) In respect of the aforesaid loan, there was no overdue amount of more than Rupees One Lakh.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system
- (v) In our opinion and according to information given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under to the extent applicable in respect of acceptance of deposits. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) We have been informed that the company is not covered under the rules made by the Central Government of India in respect of the maintenance of cost records as has been specified under sub-section (1) of Section 148 of the Act. We have, therefore, not examined the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.  
 (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales-tax, including value added tax, duty of customs and duty of excise as at 31st March 2015 which have not been deposited on account of a dispute, are as follows:

Name of The Statute	Nature of Dues	Period to which the amount relates	Amount (Rs in lakhs)	Forum Where dispute is pending
GVAT	Sales Tax.	April 2006 to June 2013	0.74	Departmental Authorities
Income Tax Act, 1961	Income Tax	2010-11	69.00	Commissioner of Income Tax (A), Mumbai
Income Tax Act, 1961	Income Tax	2011-12	566.77	Commissioner of Income Tax (A), Mumbai
The Central Excise Act, 1944	Central Excise	January 2005 to April 2012	127.37	CESTAT
		September 2010 to July 2014	68.94	Departmental Authorities

According to the information and explanations given to us and the records of the Company examined by us, there are no other statutory dues than mentioned in the aforesaid list which have not been deposited on account of any dispute.

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred to such fund within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- (viii) The Company has no accumulated losses as at the end of the financial year and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to bank. The company has not taken any loan from financial institution nor have issued any debenture.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion, and according to the information and explanations given to us, the term loan have been applied, on an overall basis, for the purposes for which they were obtained.
- (xii) On our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have come across a cyber fraud on the Company which has resulted in wrong remittance of USD 6.38 lakhs equivalent to Rs. 398.98 lakhs being made to an unauthorised account of an unknown person by an oversea customer.

Other than aforesaid fraud on the company, there is no fraud on the company or by the company is noticed or reported during the year nor we have been informed of any such case by the company.

Place: Mumbai  
Date: 30th May, 2015

For A. B. Modi & Associates  
Chartered Accountants  
Firm Registration No: 106473W

Rajesh S. Shah  
Partner  
Membership No.: 017844

## BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in lakh)

	Note	As at 31-03-2015	As at 31-03-2014
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	133.33	133.33
Reserves and surplus	3	11,113.74	10,426.10
		<b>11,247.07</b>	<b>10,559.43</b>
<b>Non-current Liabilities</b>			
Long term borrowings	4	1,046.19	2,420.80
Deferred tax liabilities (net)	5	2,394.69	2,479.84
Other long term liabilities	6	10.00	10.00
Long term provisions	7	130.54	164.86
		<b>3,581.42</b>	<b>5,075.50</b>
<b>Current Liabilities</b>			
Short term borrowings	8	4,240.11	4,519.91
Trade payables	9	2,035.16	1,877.79
Other current liabilities	10	1,867.72	1,869.12
Short term provisions	11	331.34	310.93
		<b>8,474.33</b>	<b>8,577.75</b>
<b>Total Equity &amp; Liabilities</b>		<b>23,302.82</b>	<b>24,212.68</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	12	12,861.20	13,543.67
- Intangible assets	12	87.16	77.14
- Capital work-in-progress	12	607.62	388.58
Non current investments	13	58.66	43.15
Long term loans and advances	14	713.57	803.81
Other non current assets	15	-	23.16
		<b>14,328.21</b>	<b>14,879.51</b>
<b>Current Assets</b>			
Current investments	16	0.08	0.08
Inventories	17	3,005.13	3,326.17
Trade receivables	18	5,048.26	4,997.55
Cash & Bank Balances	19	186.20	237.84
Short term loans and advances	20	424.38	626.14
Other current assets	21	310.56	145.39
		<b>8,974.61</b>	<b>9,333.17</b>
<b>Total Assets</b>		<b>23,302.82</b>	<b>24,212.68</b>

Significant Accounting policies and Notes on Financial Statements

1 - 46

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For A. B. Modi & Associates**

Chartered Accountants

ICAI Firm Registration no. 106473W

**Rajesh S. Shah**

Partner

Membership no. 017844

Place : Mumbai

Date : 30th May, 2015

For and on behalf of the Board of Directors

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Chief Financial Officer &

Company Secretary

Place : Mumbai

Date : 30th May, 2015

## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

	Note	Year ended 31-03-2015	Year ended 31-03-2014
<b>Revenue :</b>			
Gross Sales	22	34,704.46	31,527.24
Less: Excise duty		1,148.01	1,125.25
Net Sales		33,556.45	30,401.99
Other operating income	23	390.56	477.16
Revenue from operations (net)		33,947.01	30,879.15
Other income	24	706.18	203.07
<b>Total revenue</b>		<b>34,653.19</b>	<b>31,082.22</b>
<b>Expenses :</b>			
Cost of materials consumed	25	17,770.90	14,640.40
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	14.89	(116.60)
Employee benefits expenses	27	4,343.76	3,551.72
Finance costs	28	495.90	695.98
Depreciation and amortization expenses	29	1,472.04	1,244.42
Other expenses	30	9,574.71	9,290.00
<b>Total expenses</b>		<b>33,672.20</b>	<b>29,305.92</b>
Profit before exceptional and extraordinary items and tax		980.99	1,776.30
Add: Exceptional items	42	121.16	-
Profit before extraordinary items and tax		1,102.15	1,776.30
Extraordinary items		-	-
<b>Profit before tax</b>		<b>1,102.15</b>	<b>1,776.30</b>
<b>Tax expense</b>			
Current tax		232.00	375.00
Mat credit entitlement		-	(76.90)
Deferred tax		(75.56)	396.01
(Excess) / Short provision of earlier years		58.90	(0.41)
<b>Profit (Loss) for the period</b>		<b>886.81</b>	<b>1,082.60</b>
<b>Earnings per equity share ( of ₹ 10/- each)</b>			
	39		
(1) Basic		66.51	81.20
(2) Diluted		66.51	81.20

Significant Accounting policies and Notes on Financial Statements

1 - 46

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

For and on behalf of the Board of Directors

**For A. B. Modi & Associates**  
Chartered Accountants  
ICAI Firm Registration no. 106473W

**Rajendra V Gandhi**  
Managing Director

**Rajesh S. Shah**  
Partner  
Membership no. 017844

**Harsh R Gandhi**  
Executive Director

**Ganesh A Ghangurde**  
President & Chief Financial Officer &  
Company Secretary

Place : Mumbai  
Date : 30th May, 2015

Place : Mumbai  
Date : 30th May, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

	Year ended 31-03-2015	Year ended 31-03-2014
<b>A Cash flow from Operating activities</b>		
Net profit before tax and extra ordinary items	1,102.15	1,776.30
Adjustments for		
- Depreciation	1,472.04	1,244.42
- (Profit) / Loss on sale of assets (Net)	(120.64)	86.42
- Wealth tax provision	0.60	5.82
- Interest (Net)	417.33	600.17
- Rent received	(22.36)	(10.80)
- Excess / Short Provision for earlier years	0.17	-
	<b>1,747.14</b>	<b>1,926.03</b>
<b>Operating Profit before working capital changes</b>	<b>2,849.29</b>	<b>3,702.33</b>
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	(118.69)	(323.20)
- (Increase)/Decrease in Inventories	321.03	(92.63)
- Increase/(Decrease) in Trade payable	294.39	123.85
	<b>496.73</b>	<b>(291.98)</b>
<b>Cash generated from operations</b>	<b>3,346.02</b>	<b>3,410.35</b>
Direct taxes paid	(178.80)	(579.01)
<b>Net cash from operating activities</b>	<b>3,167.22</b>	<b>2,831.34</b>
<b>B Cash flow from investing activities</b>		
- Interest received	16.06	17.11
- Sale proceeds of fixed assets	660.23	87.97
- Rent received	22.36	10.80
- Investment in Fixed Deposit	23.16	(3.42)
- Investments	(15.51)	(29.15)
- Purchase of fixed assets	(1,511.53)	(1,470.85)
<b>Net cash used in investing activities</b>	<b>(805.23)</b>	<b>(1,387.54)</b>
<b>C Cash flow from financing activities</b>		
- Loans borrowed (Net of repayment)	(1,776.62)	(528.83)
- Interest paid	(443.80)	(628.16)
- Dividend paid	(193.21)	(220.37)
<b>Net cash used in financing activities</b>	<b>(2,413.63)</b>	<b>(1,377.36)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>(51.64)</b>	<b>66.44</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>237.84</b>	<b>171.40</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>186.20</b>	<b>237.84</b>
<b>Cash and Bank Balances</b>		
<b>A Cash and cash equivalents</b>		
Cash on hand	8.56	8.76
Balance with banks		
(a) In Current accounts	95.37	14.79
(b) In Cash Credit accounts	36.32	54.74
(c) In EEFC accounts	21.73	50.87
(d) In deposit accounts (Refer Note below)	-	94.21
(e) In earmarked accounts	24.22	14.47
	<b>186.20</b>	<b>237.84</b>
<b>B Other Bank Balance (maturity above 3 months)</b>	-	23.16
	<b>186.20</b>	<b>261.00</b>

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

**For A. B. Modi & Associates**  
Chartered Accountants  
ICAI Firm Registration no. 106473W

**Rajesh S. Shah**  
Partner  
Membership no. 017844

Place : Mumbai  
Date : 30th May, 2015

For and on behalf of the Board of Directors

**Rajendra V Gandhi**  
Managing Director

**Harsh R Gandhi**  
Executive Director

**Ganesh A Ghangurde**  
President & Chief Financial Officer &  
Company Secretary

Place : Mumbai  
Date : 30th May, 2015



Amounts in the financial statements are presented in a Lakhs, except for per share data and as otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off, are detailed in note .

**General company profile :**

GRP Limited (the 'Company') is engaged mainly in Reclaim Rubber. Its other business include Power generation from Windmill, Manufacturing of Thermo Plastic Elastomers and Punch & Split products. The Company has manufacturing plants in India and sales in Domestic as well as International market. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

**1 Significant Accounting Policies:**

**(A) Basis of accounting :**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied by the company and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hither to in use.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and the realisation in cash and cash equivalent, the company has ascertained its operating cycle less than 12 months.

**(B) Dividend on investment in subsidiary companies :**

The company recognizes dividend as income only when the right to receive the same is established by the reporting date.

**(C) Accounting Estimates :**

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any difference between the actual result and estimates are recognized in the period in which the results are known / materialised. Any revision to accounting estimates is recognized prospectively in current and future periods.

**(D) Fixed assets & Depreciation**

**(i) Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable to cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Exchange variation arising from repayment / restatement of the long term debts / borrowings in foreign currencies for acquisition of fixed assets is capitalised in terms of the option exercised by the company as per the MCA circular Notification no. G.S.R.378 (E) dated 11 th May, 2011 and further amended by pursuant to circular no. 25 / 2012 dated 9th August, 2012 issued by Ministry of Corporate Affairs. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(ii) Depreciation and Amortisation**

Depreciation on fixed assets is provided on straight line method for the period for which the assets have been used as under:

- 1) Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013.
- 2) Effective 1st April, 2014, the company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in schedule XIV of the Companies Act, 1956.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

3) Plant & machinery which have worked for more than single shift, depreciation is provided for accordingly as per rate prescribed in schedule II of the Companies Act, 2013.

(4) Leasehold land is amortised over the period of lease.

### (iii) Intangible Assets and Amortisation

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The amortisation rates used are :

Asset	Period of amortisation
Computer Software	6 years
Copyrights	10 years

### (E) Impairment of Assets :

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### (F) Borrowing Costs :

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are capitalized as part of the cost of the respective asset. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of those borrowings. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### (G) Government Grants and Subsidy :

Special capital incentive and subsidy received from the government for setting up or expansion of an industrial undertaking in undeveloped area of state, is credited to Special capital incentive and subsidy account under Capital Reserve Account.

### (H) Investments :

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long term investments are carried at cost. However provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually. Current investments are valued at cost or market value whichever is lower.

### (I) Taxes :

Provision for tax is made for both current and deferred taxes. Provisions for current income tax (including Wealth tax) is made at current tax rates based on assessable income/wealth. The Company provides for deferred tax based on the tax effect of timing difference resulting from the recognition of items in the financial statement and in estimating its current tax provision. Deferred tax assets are recognized if there is a reasonable certainty of realisation. The effect on deferred taxes of a change in tax rates is recognized in the Profit & Loss Account in the period in which it has been enacted.

Minimum Alternative Tax (MAT) credit entitlement is recognised in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative Tax under the Income-tax Act, 1961" issued by ICAI. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. At each balance sheet date the company re-assesses MAT credit assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be and adjusts the same accordingly.

### (J) Inventories :

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence , if any. Cost of Inventories

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

comprises of cost of purchase , cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined on weighted average basis. However raw materials are written down to realisable value only if the cost of the related finished goods is not expected to recover the cost of raw materials.

Work in - progress and finished goods are valued at lower of cost and net realisable value. Cost of work in progress and finished goods is determined on absorption costing method which include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.

### (K) Income / Expenses Recognition :

- i) Domestic Sales are recognized on dispatch of goods from factory and Export Sales on transfer of significant risk & rewards of ownership of such goods. Sales are disclosed net of sales tax / Value added tax, discounts and sales return as applicable.
- ii) Income from Power generation is accounted on the basis of certification of Gujarat Electricity Development Authority.
- iii) Commission expenses on sales (other than consignment sales) is accounted on realisation of sales proceeds and commission on consignment sales is accounted on receipt of statement of consignment sale.
- iv) Rentals and all other expenses in respect of leased assets are treated as revenue expenditure.
- v) The company accounts for excise duty rebate, duty entitlements and focus benefits on exports on accrual basis.
- vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vii) Dividend income is recognized when the right to receive dividend is established.

### (L) Foreign currency & derivative transactions :

- i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are restated at the rate as of the date of Balance Sheet.
- ii) In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract. Exchange differences on such contracts are recognised in the statement of Profit and Loss in the year in which they arise. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period. The objective of these derivative instruments is to reduce the risk or cost to the company and is not intended for trading or speculation purposes.
- iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets in line with notification dated 11th May, 2011 and further amended and issued by Ministry of Corporate Affairs.
- iv) Exposure on account of Cross Currency swaps entered into by the company is accounted on basis of mark to market losses, if any.

### (M) Employees Benefits :

#### Long Term Employee Benefits :

#### a) Defined Contribution Plans :

##### Provident Fund

The company makes contribution to statutory provident fund in accordance with the Employees Provident Fund & Miscellaneous Provisions Act, 1952, which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

#### b) Defined Benefit Plans :

##### i) Gratuity

The company has a defined benefit employee retirement scheme in the form of gratuity trust. The Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). Charge for the year is determined on the basis of actuarial valuation using the projected unit credit method, as at the date of the balance sheet. Actuarial Gains / Losses, if any are recognised in the statement of profit & loss. Contributions were deposited with the LIC based on intimation received by the company.

##### ii) Leave Encashment

Provision for leave encashment , which is a defined benefit , is made based on actuarial valuation done by an independent agency of notified actuaries by using the projected unit credit method. Actuarial Gains / Losses, if any are recognised in the

statement of profit & loss.

iii) **Superannuation**

The Company has Superannuation Plan for its executives - a defined contribution plan. The Company makes annual contribution of the covered employees' salary, subject to maximum of a 1 lakh per employee, for the executive opting for the benefit. The plan is managed by a Trust and the funds are invested with Life Insurance Corporation of India under its Group Superannuation Scheme. Annual contributions as specified under the Trust deed are paid to the Life Insurance Corporation of India and recognised as an expense of the year in which the liability is incurred.

**Short Term Employee Benefits :**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(N) **Lease :**

Lease agreements where the risk & rewards, incidents to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rent under operating lease are recognised in the profit & loss statement on straight line basis.

(O) **Research & Development :**

Capital Expenditure for Research & Development is capitalised when commissioned and included in the fixed assets. Revenue expenditure on Research & Development is charged in the period in which it is incurred.

(P) **Provisions, Contingent Liabilities and Contingent Assets :**

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

(Q) **Earning per Share :**

The company reports basic and diluted earning per share (EPS) in accordance with the Accounting Standard specified under Section 133 of the Companies Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the end of the year.

(R) **Segment reporting :**

**Identification of segment**

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

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

(S) **Cash and cash equivalents :**

Cash and cash equivalents for the purposes of cash-flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

2 Share Capital:	As at 31-03-2015	As at 31-03-2014
<b>Authorized</b>		
1,500,000 (March 31, 2014 : 1,500,000) equity shares of ₹ 10 each	150.00	150.00
<b>Issued, Subscribed and Paid up</b>		
1,333,333 (March 31, 2014 : 1,333,333) Equity shares of ₹ 10 each fully paid-up	133.33	133.33
	<b>133.33</b>	<b>133.33</b>

**(a) Rights, preferences and restrictions attached to shares**

- (i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- (ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (iii) In the event of liquidation of the Company, the holders of the equity shares of the Company will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

**(b) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2015 and March 31, 2014, is set out below :**

	As at 31-03-2015	As at 31-03-2014
<b>Equity Shares:</b>		
<b>At the beginning</b>		
- Number of shares	1,333,333	1,333,333
- Amount	133.33	133.33
<b>At the end</b>		
- Number of shares	1,333,333	1,333,333
- Amount	133.33	133.33

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Meera Philip	81,666	6.12%	81,666	6.12%
Enarjee Consultancy & Trading Company LLP	58,624	4.40%	88,464	6.63%

3 Reserves and Surplus:	As at 31-03-2015	As at 31-03-2014
<b>Capital reserve</b>		
<b>Special capital incentive and subsidy</b>		
Balance as per last Balance sheet	53.30	53.30
<b>Profit on re-issue of forfeited shares</b>		
Balance as per last Balance sheet	0.01	0.01
<b>Securities Premium account</b>		
Balance as per last Balance sheet	41.67	41.67
<b>Balance as at the end of the year</b>	<b>94.98</b>	<b>94.98</b>
<b>General Reserve</b>		
Balance as at beginning of the year	6,000.00	5,000.00
Add : Transferred from the statement of profit and loss account	-	1,000.00
<b>Balance as at the end of the year</b>	<b>6,000.00</b>	<b>6,000.00</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015** (₹ in lakh)

<b>Surplus in Statement of Profit &amp; Loss</b>			
Balance as at beginning of the year		4,331.12	4,498.11
Profit for the year		886.81	1,082.60
<b>Amount available for appropriation</b>		<b>5,217.93</b>	<b>5,580.71</b>
Less: Appropriations :			
- Interim dividend		-	20.00
- Dividend / Final dividend		150.00	193.33
- Total dividend		150.00	213.33
- Dividend tax		30.54	36.26
- Amount transferred to general reserve		-	1,000.00
- Transitional provision for : Depreciation charge		28.23	-
- : Deferred tax on above		(9.60)	-
<b>Total appropriations</b>		<b>199.17</b>	<b>1,249.59</b>
<b>Balance as at end of the year</b>		<b>5,018.76</b>	<b>4,331.12</b>
<b>Total reserves and surplus</b>		<b>11,113.74</b>	<b>10,426.10</b>

4 Long Term Borrowings:	As at	As at	As at	As at
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	<b>Current Maturity</b>		<b>Non-current portion</b>	
<b>Secured:</b>				
<b>Term Loans from Banks:</b>				
Foreign Currency Loans from Banks	866.95	977.56	565.46	1,371.59
Rupee Loans from Banks	564.17	564.17	480.00	1,044.17
<b>Total Secured Borrowings</b>	<b>1,431.12</b>	<b>1,541.73</b>	<b>1,045.46</b>	<b>2,415.76</b>
<b>Unsecured:</b>				
Loans from Banks	1.24	9.49	-	1.24
Deferred Sales Tax payments	3.08	6.41	0.73	3.80
<b>Total Unsecured Borrowings</b>	<b>4.32</b>	<b>15.90</b>	<b>0.73</b>	<b>5.04</b>
	<b>1,435.44</b>	<b>1,557.63</b>	<b>1,046.19</b>	<b>2,420.80</b>
Amount disclosed under the head "Other current liabilities" (refer note 10)	(1,435.44)	(1,557.63)	-	-
<b>Total long-term borrowings</b>	<b>-</b>	<b>-</b>	<b>1,046.19</b>	<b>2,420.80</b>

**A Nature of security and terms of repayment for secured borrowings:**

- 1 Rupee loan from HDFC Bank Ltd. of ₹ 324.17 lakh (March 31, 2014 : ₹ 648.35 lakh) for Factory (Phase I) at Chincholi, Solapur**  
First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Chincholi, Solapur, both present and future and by way of mortgage of land together with factory building and structures situated at Chincholi factory, Solapur.  
Repayable in 20 equal quarterly instalments beginning from June 20, 2011, along with interest of 13 % p.a.
- 2 Rupee loan from HDFC Bank Ltd. of ₹ 720.00 lakh (March 31, 2014 : ₹ 960.00 lakh) for Factory (Phase II) at Chincholi, Solapur**  
First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Chincholi, Solapur, both present and future and by way of mortgage of land together with factory building and structures situated at Chincholi factory, Solapur.  
Repayable in 20 equal quarterly instalments beginning from April 30, 2013, along with interest of 13 % p.a.
- 3 Foreign currency loan from HDFC Bank Ltd. of ₹ NIL (March 31, 2014 : ₹ 51.69 lakh) for Wind Mill project.**  
First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.  
Repayable in 20 equal quarterly instalments beginning from February 5, 2010, along with interest of 5 % p.a.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

### 4 Foreign currency loan from HDFC Bank Ltd. of ₹ NIL (March 31, 2014 : ₹ 95.73 lakh) for Kurla Office I premises at Mumbai

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

Repayable in 60 equal monthly instalments beginning from February 5, 2010, along with interest of 5 % p.a.

### 5 Foreign currency loan from HDFC Bank Ltd. of ₹ 113.01 lakh (March 31, 2014 : ₹ 216.42 lakh) for Kurla Office II premises at Mumbai

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

Repayable in 20 equal quarterly instalments beginning from September 20, 2011 along with interest of 8 % p.a.

### 6 Foreign currency loan from Citi Bank, N.A. of ₹ 1,319.40 lakh (March 31, 2014 : ₹ 1,985.31 lakh) for Perundurai factory, in Tamil Nadu

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Perundurai, Tamilnadu, both present and future and by way of mortgage of Land together with factory building and structures situated at Perundurai, Tamilnadu.

Repayable in 15 equal quarterly instalments beginning from April 22, 2013 along with interest @ 5.61% p.a.

### B Terms of repayment for unsecured borrowings:

#### 1 Deferred sales-tax payments

Deferred sales-tax payment is interest free loan and repayable from financial year 2006-07 to 2016-17.

#### 2 Loans from Bank

Vehicle loans are secured by vehicles under hypothecation with banks.

Loans are repayable in 36 monthly instalments from the date of respective loans.

5 Deferred Tax Liabilities (Net):	As at 31-03-2015	As at 31-03-2014		
<b>Deferred Tax Liabilities</b>				
- Depreciation	2,419.27	2,497.37		
- Gratuity (Expenses allowable for tax purposes when paid)	19.69	28.71		
	<b>2,438.96</b>	<b>2,526.08</b>		
<b>Deferred Tax Assets</b>				
- Provision for employee benefit	44.27	46.24		
	<b>44.27</b>	<b>46.24</b>		
<b>Total deferred tax liabilities (net)</b>	<b>2,394.69</b>	<b>2,479.84</b>		
<b>6 Other Long-term Liabilities:</b>	As at 31-03-2015	As at 31-03-2014		
Security deposit received against the rental income	10.00	10.00		
<b>Total other long-term liabilities</b>	<b>10.00</b>	<b>10.00</b>		
<b>7 Long-term Provisions:</b>	As at 31-03-2015	As at 31-03-2014	As at 31-03-2015	As at 31-03-2014
	Current Maturity		Non-current portion	
<b>Provision for Employees Benefit expenses:</b>				
Provision for Leave encashment	12.19	10.40	68.12	43.49
Provision for Gratuity payment	2.97	-	-	-
	<b>15.16</b>	<b>10.40</b>	<b>68.12</b>	<b>43.49</b>
Mark to market provision on derivative instruments	98.66	74.34	62.42	121.37
	<b>113.82</b>	<b>84.74</b>	<b>130.54</b>	<b>164.86</b>
Amount disclosed under the head "Short-term provisions" (refer note 11)	(113.82)	(84.74)	-	-
<b>Total Long-term provisions</b>	<b>-</b>	<b>-</b>	<b>130.54</b>	<b>164.86</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

8 Short-term Borrowings:	As at 31-03-2015	As at 31-03-2014
<b>Secured:</b>		
<b>Working Capital Loan payable on demand from banks</b>		
Foreign Currency Loan	3,598.70	3,674.08
Rupee Loan	580.96	224.52
	<b>4,179.66</b>	<b>3,898.60</b>
<b>Buyer's credit in foreign currency loan</b>	-	443.86
<b>Unsecured:</b>		
Deposits from Public	-	117.00
Deposits from Others	60.45	60.45
	<b>60.45</b>	<b>177.45</b>
<b>Total Short-term borrowings</b>	<b>4,240.11</b>	<b>4,519.91</b>

(a) **Working Capital Loan from HDFC Bank Ltd of ₹ 2738.32 lakh (March 31, 2014 : ₹ 2,865.81 lakh)**

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

(b) **Working Capital loan from Citi Bank N. A. of ₹ 1,441.35 lakhs (March 31, 2014 : ₹ 1,032.79 lakhs)**

Secured by first pari passu charge in favour of Citi Bank N.A. by way of hypothecation of entire current assets including inventories and such other movables, books debts, bills receivables and second subservient charge on entire movable fixed assets and mortgage of immovable fixed assets of the Company, both present and future.

(c) **Buyer's credit in foreign currency loan from HDFC Bank Ltd of ₹ NIL (March 31, 2014 : ₹ 443.86 lakhs) for Capital Goods.**

Secured by exclusive charge on an imported recycling machine and all related equipments at Panoli factory. Repayable in one instalment due on August 08, 2014.

(d) Deposits from Public (unsecured) carry interest @ 12.50% p.a. and Deposits from Others (unsecured) carry interest @ 12.00% p.a. with maturity period of 12 months from the date of deposit.

(e) Fixed Deposits includes deposit accepted from the related parties of ₹ NIL (March 31, 2014 : ₹ 73.25 lakhs).

9 Trade Payables:	As at 31-03-2015	As at 31-03-2014
Trade payables	2,035.16	1,877.79
<b>Total trade payables</b>	<b>2,035.16</b>	<b>1,877.79</b>

Details of Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act").

To comply with the requirement of The Micro, Small and Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm it whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communication received from such suppliers confirming their coverage as such enterprise, the company has recognized them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations and are disclosed in note below.

	As at 31-03-2015	As at 31-03-2014
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end.	168.74	116.17
b) Interest due to suppliers registered under the MSMED Act and Remaining unpaid at the year end.	-	-
c) Principal amount due to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
g) Further interest remaining due and payable for earlier years	-	-

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

10 Other Current Liabilities:	As at 31-03-2015	As at 31-03-2014
Current maturities of Long-term debts (refer note 4)	1,435.44	1,557.63
Interest Accrued but not due on borrowings	38.10	50.18
Unclaimed Dividend (refer note below)	11.85	11.73
Advances from customers	41.15	17.23
Vendors for Capital Goods & Services	70.41	79.90
Statutory dues	154.73	149.13
Others	116.04	3.32
<b>Total other current liabilities</b>	<b>1,867.72</b>	<b>1,869.12</b>

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March, 2015.

11 Short Term provisions:	As at 31-03-2015	As at 31-03-2014
<b>Current maturities of Long-term provisions of Employees Benefit expenses (refer note 7)</b>		
Provision for Leave encashment	12.19	10.40
Provision for Gratuity payment	2.97	-
	15.16	10.40
<b>Other Provisions</b>		
Mark to market provision on derivative instruments	98.66	74.34
Proposed Dividend	150.00	193.33
Tax On Proposed Dividend	30.54	32.86
Provision for taxation - Net of advance tax paid of ₹ 3,140.20 lakhs (March 31, 2014 : ₹ 2,994.26 lakhs)	36.98	-
	<b>316.18</b>	<b>300.53</b>
<b>Total short-term provisions</b>	<b>331.34</b>	<b>310.93</b>

### 12 Fixed Assets:

Particulars	Gross Block				Depreciation & Amortisation				Net Book Value		
	As at 01-04-2014	Additions	Disposal	As at 31-03-2015	As at 01-04-2014	For the period	Disposal / Discard	Transfer to Retained Earnings	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>(a) Tangible Assets</b>											
<b>Own Assets :</b>											
Lease hold Land	557.43	-	-	557.43	24.36	6.00	-	1.52	31.88	525.55	533.07
Roads	491.43	13.98	-	505.41	30.17	68.81	-	29.44	128.42	376.99	461.26
Buildings	6,155.33	389.51	(470.65)	6,074.19	652.32	169.51	(23.21)	1.49	800.11	5,274.08	5,503.01
Plant and Machinery	11,032.66	896.77	-	11,929.43	4,632.28	1,061.82	-	(23.72)	5,670.38	6,259.05	6,400.38
Furniture & Fixtures	489.01	4.46	(113.52)	379.95	105.26	48.24	(24.34)	1.32	130.48	249.47	383.75
Office equipments	153.12	19.05	(1.04)	171.13	37.11	48.07	(0.36)	17.00	101.82	69.31	116.01
Computer Hardware	128.31	12.00	-	140.31	81.88	28.37	-	0.78	111.03	29.28	46.43
Vehicles	153.19	-	-	153.19	53.43	21.89	-	0.40	75.72	77.47	99.76
<b>Total (a):</b>	<b>19,160.48</b>	<b>1,335.77</b>	<b>(585.21)</b>	<b>19,911.04</b>	<b>5,616.81</b>	<b>1,452.71</b>	<b>(47.91)</b>	<b>28.23</b>	<b>7,049.84</b>	<b>12,861.20</b>	<b>13,543.67</b>
<b>(b) Intangible Assets</b>											
<b>Own Assets :</b>											
Computer Software	199.33	18.29	-	217.62	122.19	18.84	-	-	141.03	76.59	77.14
Copyrights	-	11.06	-	11.06	-	0.49	-	-	0.49	10.57	-
<b>Total (b):</b>	<b>199.33</b>	<b>29.35</b>	<b>-</b>	<b>228.68</b>	<b>122.19</b>	<b>19.33</b>	<b>-</b>	<b>-</b>	<b>141.52</b>	<b>87.16</b>	<b>77.14</b>
<b>Total (a+b):</b>	<b>19,359.81</b>	<b>1,365.12</b>	<b>(585.21)</b>	<b>20,139.72</b>	<b>5,739.00</b>	<b>1,472.04</b>	<b>(47.91)</b>	<b>28.23</b>	<b>7,191.36</b>	<b>12,948.36</b>	<b>13,620.81</b>
Previous Year:	18,443.26	1,120.60	(204.06)	19,359.81	4,524.26	1,244.42	(29.68)	-	5,739.00	13,620.81	13,919.00
<b>(c) Capital Work-in-progress</b>											
Factory Building										85.63	60.12
Plant & Machinery										512.47	313.12
Other Assets										9.52	15.34
<b>Total (c):</b>										<b>607.62</b>	<b>388.58</b>

**Total fixed assets (net)** **13,555.98** **14,009.39**

- (a) Addition to fixed assets and capital work-in-progress includes exchange difference of ₹ 83.63 lakhs (March 31, 2014 ₹ 431.83 lakhs) arising on revaluation of foreign currency term loan and principal only swap rupee loans (POS) as per amended AS11 (notified by Ministry of Corporate Affairs).
- (b) Additions during the year and capital work-in-progress include ₹ 28.90 lakhs (March 31, 2014 : ₹ 15.74 lakhs) being borrowing cost capitalised.
- (c) Interest earned on account of Principle only SWAP (POS) loan amounting to ₹ 41.20 lakhs (March 31, 2014 : ₹ 59.64 lakhs) has been reduced from the cost of the respective assets

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

- (d) In accordance with the provisions of Schedule II of the Act, in case of fixed assets which have completed their useful life as at 1st April, 2014, the carrying value (net of residual value) amounting to ₹ 18.63 lakhs (net of deferred tax of ₹ 9.60 lakhs) as a transitional provision has been recognised in the Retained Earnings
- Further, in case of assets acquired prior to 1st April 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April, 2014
  - Depreciation and amortization expenses for the year would have been lower by ₹ 231.47 lakhs, had the company continued with the previous assessment of useful life of such assets.
- (e) Vehicles include one car of the company acquired in the name of Director.

13 Non-current Investments:	As at 31-03-2015	As at 31-03-2014
<b>Long term investments (valued at cost unless stated otherwise)</b>		
<b>Trade Investment (unquoted)</b>		
<b>Investment in subsidiaries:</b>		
50,000 (March 31, 2014 : 49,900) equity shares of ₹ 10/- each fully paid up held in Grip Polymers Ltd.	1.01	1.00
<b>Other investments (unquoted)</b>		
129,000 (March 31, 2014 : 129,000) equity shares of ₹ 10/- each fully paid up held in Bharuch Eco-aqua Infrastructure Ltd.	12.90	12.90
4,47,500 (March 31, 2014 : 292,500) equity shares of ₹ 10/- each fully paid up held in Iris Ecopower Venture Pvt. Ltd.	44.75	29.25
<b>Total non-current investment</b>	<b>58.66</b>	<b>43.15</b>

During the year the company has purchased 100 equity shares representing 0.20 % of the share of Grip Polymers Limited, a subsidiary company. The said shares were acquired on 01-07-14 and consequent the shareholding of GRP Limited in Grip Polymers Limited is increased to 100%.

14 Long-term Loans and Advances:	As at 31-03-2015	As at 31-03-2014
Advances for Capital Expenditure	18.40	102.80
Other Advances & Deposits	272.77	265.40
Prepaid Expenses	3.89	2.71
Loan to Subsidiary company	45.92	-
MAT credit entitlement	372.59	432.90
<b>Total long-term loans and advances</b>	<b>713.57</b>	<b>803.81</b>

Other advances & deposits include deposit of ₹ NIL (March 31, 2014 : ₹ 15.75 lakhs) with a company in which some of the directors are interested.

Prepaid expenses include current maturity amount of ₹ 57.22 lakhs (March 31, 2014 : ₹ 59.04 lakhs) (refer note no. 20)

Considering the future profitability in the subsequent years, the company has recognised the "MAT credit entitlement" as an asset by crediting profit and loss account for an equivalent amount and disclosed under "Loans and Advances" in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative Tax " issued by ICAI.

15 Other non-current assets:	As at 31-03-2015	As at 31-03-2014
Long term Deposit with Bank (Maturity more than 12 months)	-	23.16
<b>Total other non-current assets</b>	<b>-</b>	<b>23.16</b>

16 Current Investments:	As at 31-03-2015	As at 31-03-2014
<b>Unquoted</b>		
7 years National Savings Certificates (Deposited with Central Excise Authority)	0.08	0.08
<b>Total current investments</b>	<b>0.08</b>	<b>0.08</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

	As at 31-03-2015	As at 31-03-2014
<b>17 Inventories:</b>		
Stores and Spares	136.30	124.89
Packing Materials	46.64	45.30
Raw Materials (includes Rubber Scrap, Process oils and Chemicals)	1,342.57	1,648.73
Fuel materials	13.53	20.32
FMS Licence Stocks (at net realisable value)	10.11	16.06
Goods-in-process	242.41	191.69
Goods-in-transit	386.64	398.17
Finished Goods	826.93	881.01
<b>Total inventories</b>	<b>3,005.13</b>	<b>3,326.17</b>
<b>18 Trade Receivables:</b>		
<b>Unsecured</b>		
Outstanding for more than six months		
- Considered Good	10.86	9.06
- Considered Doubtful	0.17	0.17
	11.03	9.23
- Less: Provision for bad & doubtful debts	(0.17)	(0.17)
	10.86	9.06
Others		
- Considered Good (refer note no. 40)	5,037.40	4,988.49
<b>Total trade receivables</b>	<b>5,048.26</b>	<b>4,997.55</b>
<b>19 Cash &amp; Bank Balance</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	8.56	8.76
<b>Balance with banks</b>		
(a) In Current accounts	95.37	14.79
(b) In Cash Credit accounts	36.32	54.74
(c) In EEFC accounts	21.73	50.87
(d) In deposit accounts (Maturity less than 3 months)	-	94.21
(e) In earmarked accounts		
- Unclaimed dividend accounts (Refer Note below)	11.85	11.73
- Margin money deposits	12.37	2.74
	177.64	229.08
<b>Total cash and bank balance</b>	<b>186.20</b>	<b>237.84</b>
<b>Notes:</b>		
There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31-03-2015		
<b>20 Short-term Loans and Advances:</b>		
Advances recoverable in cash or in kind	241.89	313.89
Other Advances & Deposits	1.18	1.49
Deposit with Central Excise	124.09	203.28
Current maturity of Prepaid Expenses	57.22	59.04
Advance Income-tax & Wealth-tax - Net of provisions ₹ 3,177.18 lakhs (March 31, 2014 : ₹ 2,945.82 lakhs)	-	48.44
<b>Total short-term loans and advances</b>	<b>424.38</b>	<b>626.14</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

( ₹ in lakh)

	As at 31-03-2015	As at 31-03-2014
<b>21 Other Current Assets:</b>		
Accrued Income	106.86	119.77
Receivable from LIC (Gratuity claim)	6.15	12.14
Forex Forward Contract (Net)	197.55	13.48
<b>Total other current assets</b>	<b>310.56</b>	<b>145.39</b>
<b>22 Revenue:</b>	<b>Year ended 31-03-2015</b>	<b>Year ended 31-03-2014</b>
(i) Sale of products		
Manufactured goods	34,638.21	31,455.84
Less : Excise duty	1,148.01	1,125.25
	Total: <b>33,490.20</b>	<b>30,330.59</b>
(ii) Trading of Goods	-	2.55
(iii) Power generation from Windmill	66.25	68.85
<b>Total revenue</b>	<b>33,556.45</b>	<b>30,401.99</b>
<b>Manufactured Goods / Power Generation / Trading</b>		
- Reclaim Rubber	32,536.44	29,222.19
- Punch & Split Products	575.50	630.69
- Thermo Plastic Elastomers	378.26	477.71
- Trading of Goods	-	2.55
- Power generation from Windmill	66.25	68.85
<b>23 Other operating income:</b>	<b>Year ended 31-03-2015</b>	<b>Year ended 31-03-2014</b>
Export incentives	390.54	434.47
Bad debts recovered	-	4.29
Other Sales	0.02	38.40
<b>Total other operating income</b>	<b>390.56</b>	<b>477.16</b>
<b>24 Other income:</b>	<b>Year ended 31-03-2015</b>	<b>Year ended 31-03-2014</b>
Interest received	14.39	17.07
Rent Income	22.36	10.80
Net Gain on foreign currency transactions and translation	669.43	175.20
<b>Total other income</b>	<b>706.18</b>	<b>203.07</b>
<b>25 Cost of material consumed:</b>	<b>Year ended 31-03-2015</b>	<b>Year ended 31-03-2014</b>
<b>Raw material consumed:</b>		
Opening inventories	1,648.73	1,644.49
Add : Purchases (including incidental expenses of ₹ 672.34 lakhs, March 31, 2014 : ₹ 693.48 lakhs)	17,464.74	14,644.64
	19,113.47	16,289.13
Less : Closing inventories	1,342.57	1,648.73
<b>Total cost of material consumed</b>	<b>17,770.90</b>	<b>14,640.40</b>
(a) <b>Products consumed</b>		
- Waste Rubber	16,127.87	13,036.47
- Process Oils	1,093.51	1,440.87
- Other Oils and Chemicals	549.51	163.06
(b) <b>Import and Indigenous consumptions</b>	<b>17,770.90</b>	<b>14,640.40</b>
- Imports	613.63	826.28
%	3.45%	5.64%
- Indigenous	17,157.27	13,814.12
%	96.55%	94.36%
	<b>17,770.90</b>	<b>14,640.40</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

	Year ended 31-03-2015	Year ended 31-03-2014		
<b>26 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>				
<b>Stock at the end of the year:</b>				
Finished goods	826.93	881.01		
Goods-in-transit (Finished Goods)	386.64	398.17		
Work-in-progress	242.41	191.69		
Stock-in-trade	-	-		
<b>Stock at the beginning of the year:</b>				
Finished goods	881.01	928.47		
Goods-in-transit (Finished Goods)	398.17	244.86		
Work-in-progress	191.69	176.71		
Stock-in-trade	-	4.23		
	<b>Total (A)</b>	<b>1,470.87</b>		
	<b>Total (B)</b>	<b>1,354.27</b>		
<b>Increase / (Decrease) in Stock</b>	<b>Total (A - B)</b>	<b>(14.89)</b>		
<b>Finished Goods</b>				
- Reclaim Rubber	1,022.75	1,168.05		
- Punch & Split Products	93.96	63.92		
- Thermo Plastic Elastomers	96.85	47.22		
	<b>1,213.56</b>	<b>1,279.19</b>		
<b>Work-in-progress</b>				
- Reclaim Rubber	242.41	191.69		
	<b>242.41</b>	<b>191.69</b>		
<b>27 Employee Benefits expenses:</b>	<b>Year ended 31-03-2015</b>	<b>Year ended 31-03-2014</b>		
Salaries, Wages and Bonus	3,921.70	3,234.22		
Contribution to Provident fund and Pension fund	168.21	141.52		
Gratuity fund	35.86	(0.99)		
Contribution to other funds	71.38	70.49		
Welfare and other benefits	146.61	106.48		
<b>Total employee benefits expenses</b>	<b>4,343.76</b>	<b>3,551.72</b>		
<b>(a) The disclosure required as per the revised AS 15 is as under:</b>				
(i) Brief description of the plans.				
The Company has various schemes for long term benefits such as provident fund , superannuation, gratuity and leave encashment. The Company's defined contribution plans are Employees' Provident fund and Pension Scheme (under the provision of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952) since the company has no further obligation beyond making the contributions.				
The employees of the company are also entitled to leave encashment and gratuity which are defined benefit plan.				
(ii) Charge to the Profit and Loss Account based on Contributions :	<b>Year ended 31-03-2015</b>	<b>Year ended 31-03-2014</b>		
Provident and Pension fund	168.21	141.52		
(iii) The liability for leave encashment and compensated absences (unfunded) as at year end is	₹ 80.31 lakhs (March 31, 2014 : ₹ 53.89 lakhs).			
<b>(b) Disclosure for defined benefit plan based on actuarial report as on 31-03-2015</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
	<b>Leave Encashment</b>		<b>Gratuity</b>	
	<b>Unfunded</b>		<b>Funded</b>	
(i) <b>Change in Defined Benefit Obligation</b>				
Opening defined benefit obligation	53.89	60.42	413.74	392.48
Interest cost	5.02	4.98	33.10	31.40
Current service cost	24.33	30.92	43.51	41.34
Benefits paid	(21.23)	(21.66)	(19.15)	(11.77)
Actuarial loss / (gain)	18.30	(20.78)	4.25	(39.71)
Closing defined benefit obligation	<b>80.31</b>	<b>53.89</b>	<b>475.45</b>	<b>413.74</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

	As at 31-03-2015	As at 31-03-2014	As at 31-03-2015	As at 31-03-2014
	Leave Encashment		Gratuity	
	Unfunded		Funded	
<b>(ii) Change in Fair Value of Assets</b>				
Opening fair value of plan assets	-	-	498.20	367.33
Expected return on plan assets	-	-	45.00	34.01
Contributions by employer	-	-	6.34	108.63
Benefits paid	-	-	(19.15)	(11.77)
Actuarial gain / (loss)	-	-	-	-
Closing fair value of plan assets	-	-	<b>530.39</b>	<b>498.20</b>
<b>(iii) Amount recognized in the Balance Sheet</b>				
Fair value of plan assets as at beginning of the year	-	-	498.20	367.33
Actual return on plan assets	-	-	45.00	34.01
Contributions	-	-	6.34	108.63
Benefits paid	-	-	(19.15)	(11.77)
Fair value of plan assets as at end of the year	-	-	530.39	498.20
Funded status	-	-	(54.94)	(84.46)
Excess of Actual over estimated return on plan assets	-	-	-	-
<b>(iv) Actuarial (gain) / loss recognized</b>				
Actuarial (gain) / loss for the year - plan assets	-	-	-	-
Actuarial (gain) / loss on obligations	18.30	(20.78)	4.25	(39.71)
Actuarial (gain) / loss recognized in the year	<b>18.30</b>	<b>(20.78)</b>	<b>4.25</b>	<b>(39.71)</b>
<b>(v) Amount to be recognized in the Balance Sheet and Profit &amp; Loss accounts</b>				
Present value of obligation as at the end of the year	80.31	53.89	475.45	413.74
Fair value of plan assets as at the end of the year	-	-	530.39	498.20
Funded status	-	-	-	-
Net (Assets) / Liabilities recognized in the Balance Sheet	80.31	53.89	(54.94)	(84.46)
Current service cost	24.33	30.92	43.51	41.34
Interest cost	5.02	4.98	33.10	31.40
Expected return on plan assets	-	-	(45.00)	(34.01)
Net Actuarial (gain) / loss recognised in the year	18.30	(20.78)	4.25	(39.71)
Expenses recognised in the statement of Profit & Loss account	<b>47.65</b>	<b>15.13</b>	<b>35.86</b>	<b>(0.99)</b>
<b>(vi) Actuarial Assumptions</b>				
Discount Rate	7.96%	9.31%	8.00%	8.00%
Salary Escalation	5.00%	6.00%	5.00%	5.00%

	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Net asset / liability recognised in the Balance Sheet					
<b>Gratuity</b>					
Defined benefit obligation	475.45	413.74	392.48	334.67	276.10
Plan Assets	530.39	498.20	367.32	354.47	279.28
Deficit / (Surplus)	(54.94)	(84.46)	25.16	(19.80)	(3.18)

<b>28 Finance cost:</b>	Year ended 31-03-2015	Year ended 31-03-2014
Interest on Term & Working Capital Loans	422.68	593.78
Interest on Other Loans	9.04	25.13
Financial Charges	64.18	77.07
<b>Total finance cost</b>	<b>495.90</b>	<b>695.98</b>

<b>29 Depreciation and Amortization expenses:</b>	Year ended 31-03-2015	Year ended 31-03-2014
Depreciation on Tangible Assets	1,452.70	1,226.45
Depreciation on Intangible Assets	19.34	17.97
<b>Total depreciation and amortization expenses</b>	<b>1,472.04</b>	<b>1,244.42</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

30 Other expenses:	Year ended 31-03-2015	Year ended 31-03-2014
<b>Manufacturing Expenses</b>		
Packing Material consumed	813.55	772.53
Stores and Spare Parts Consumed	430.66	419.88
Power, Fuel & Water Consumed:-		
- Power Consumption	3,570.21	3,310.76
- Fuel Consumption	892.61	901.08
- Water Consumption	44.51	43.67
Repairs & Maintenance Expenses:-		
- Plant & Machineries	237.30	250.86
- Factory Buildings	28.31	14.92
	<b>6,017.16</b>	<b>5,713.70</b>
<b>Sales &amp; Distribution expenses</b>		
Ocean Freight	1,485.41	1,597.38
Marine Insurance	6.83	6.40
Export clearing and Other charges	432.67	437.02
Local freight & Other charges	615.21	499.24
Other Selling and Distribution expenses	89.23	129.04
	<b>2,629.35</b>	<b>2,669.08</b>
<b>Administration &amp; Other Expenses</b>		
Insurance	51.30	57.14
Vehicle Expenses	88.14	77.33
Printing & Stationery	35.02	11.49
Advertisements	14.61	15.77
Rent, Lease Rent & Other Charges	28.26	28.60
Repairs to Other Assets	44.88	51.60
Retainer fees, Legal fees & Prof charges	159.42	143.31
Travelling & Conveyance	172.37	133.73
Postage, Telegram & Telephones	56.94	44.06
Provision for Doubtful Debts	-	0.17
Payment to Auditors:-		
- Audit fee	7.00	6.00
- Tax Audit fee	2.25	1.50
- Taxation matters and other expenses	5.86	2.26
- Reimbursement of expenses	0.21	0.20
Board Meeting Fees	5.44	5.83
Commission to Director	12.00	20.75
Charity and donation	0.02	32.65
Corporate Social Responsibility Expense	55.96	-
Factory / Office Expenses	43.49	35.13
Office electricity expenses	15.02	14.67
Other Expenses	138.08	146.38
Loss on Sale of Assets / Assets Discarded / Impairment	0.53	86.42
Variation in CED on Stock of finished goods	(8.62)	(7.77)
	<b>928.20</b>	<b>907.22</b>
<b>Total other expenses</b>	<b>9,574.71</b>	<b>9,290.00</b>
<b>31 Contingent Liabilities and commitments (to the extend not provided for)</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2015</b>	<b>31-03-2014</b>
(a) Guaranteed by Banks not provided for (Net)	266.90	267.93
(b) Letter of Credit	16.60	-
(c) Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
- Maharashtra Sales Tax	0.74	0.52
- Excise Duty & Service Tax	196.31	168.40
- Income Tax liability	635.77	69.00
(d) Estimated amount of contracts remaining to be executed on capital account.	35.48	75.37
(e) Employees dues not provided for	-	0.25

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

	As at 31-03-2015	As at 31-03-2014
<b>32 Disclosure in respect of Lease</b>		
<b>Operating Lease</b>		
The company has entered into lease agreement for four vehicles taken on operating lease for a term of 48 months. The future minimum lease payments under non cancellable operating lease are as under		
(a) Not later than 1 year	16.15	13.27
(b) Later than 1 year but not later than 5 years	24.37	31.21
(c) Later than 5 years	-	-
<b>33 Related parties disclosure :</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>A) Relationships</b>		
1) <b>Subsidiary Company</b>		
- Grip Polymers Ltd. (100 % of total shareholdings held by the GRP Ltd.)		
2) <b>Key Managerial Personnel</b>		
- Rajendra V Gandhi; Managing Director		
- Harsh R Gandhi; Executive Director		
- Ganesh A Ghangurde; President, Chief Financial Officer & Company Secretary		
3) <b>Relatives of Key Managerial Personnel and Entities over which significant influence is exercised by key management personnel or their relatives and with whom transactions have taken place in the ordinary course of business</b>		
- Nayna R. Gandhi, Harsh R. Gandhi, Hemal H. Gandhi, Vaishali R. Gandhi, Nehal R. Gandhi, Mahesh V. Gandhi, Harish V. Gandhi, Mrudula J Shah, Rekha A Kothari, Devyani C Tolia, Varsha H Shah, Chandrika A Kumbhani and Anant G. Ghangurde		
- Rajendra V. Gandhi HUF (Rajendra V. Gandhi is Karta)		
- Aarav Trust (Rajendra V. Gandhi & Harsh R. Gandhi are the Trustees)		
- Aayushi & Aashni Trust (Rajendra V. Gandhi & Harsh R. Gandhi are the Trustees)		
- Nehal Trust (Rajendra V. Gandhi & Harsh R. Gandhi are the Trustees)		
- Harsh R. Gandhi HUF (Harsh R. Gandhi is Karta),		
- Enarjee Consultancy & Trading Company LLP (Rajendra V. Gandhi & Harsh R. Gandhi are the Designated Partners)		
- Industrial Development and Investment Co. Pvt. Ltd. (Rajendra V. Gandhi is Director)		
- Ghatkopar Estate & Finance Corporation Pvt. Ltd. (Rajendra V. Gandhi is Director)		
- Alphanso Netsecure Pvt. Ltd. (Harsh R. Gandhi and Ganesh A. Ghangurde are the Directors)		
<b>B) Related Parties Transactions</b>		
	<b>As at</b>	<b>As at</b>
	<b>31-03-2015</b>	<b>31-03-2014</b>
1) <b>Summary of transactions with related parties in the ordinary course of business</b>		
<b>A) Subsidiary Company:</b>		
Loan given & Outstanding	45.92	-
Interest charged and outstanding	1.00	-
Shareholding as on 31.03.2015	1.01	1.00
<b>B) Key Management Personnel</b>		
Remuneration paid	273.57	280.51
Dividend paid	11.62	13.14
<b>C) Relatives of Key Managerial Personnel and Entities over which significant influence is exercised by key management personnel or their relatives.</b>		
Purchase of goods & Services	-	16.27
Remuneration paid	6.12	5.59
Sitting Fees Paid	0.75	0.75
Dividend paid	52.83	61.65
Interest paid	0.79	10.34
Rent paid	0.18	0.54
Deposit repaid	77.25	6.00
Deposit outstanding payable	-	77.25
Deposit outstanding receivable	-	15.75



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

### 2) Summary of transactions with related parties other than ordinary transactions

Sale of Flat	600.00	-
Sale of Furniture	65.00	-

### C) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with the related parties during the year

#### 1 Purchase of Goods & Services

Alphanso Netsecure Private Limited	-	16.27
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#### 2 Remuneration Paid

Rajendra V Gandhi	82.37	95.90
Harsh R Gandhi	119.28	89.40
Ganesh A Ghangurde	71.93	95.21

#### 3 Sitting Fees Paid

Mahesh V Gandhi	0.75	0.75
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#### 4 Dividend paid

Harsh R Gandhi	8.34	9.49
Mahesh V Gandhi	10.73	12.77
Rajendra V Gandhi HUF	6.78	7.71
Enarjee Consultancy & Trading Company LLP	8.50	14.60

#### 5 Interest paid

Nehal R Gandhi	0.09	1.23
Aayushi & Aashni Trust	0.12	1.44
Aarav Trust	0.10	1.48
Nehal Trust	0.17	2.13

#### 6 Rent paid

Industrial Development and Investment Co. Pvt. Ltd.	0.18	0.54
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#### 7 Deposit repaid

Nehal R Gandhi	8.50	1.50
Aayushi & Aashni Trust	11.50	-
Aarav Trust	10.00	2.00
Nehal Trust	17.00	-

#### 8 Deposit outstanding payable

Nehal R Gandhi	-	8.50
Aayushi & Aashni Trust	-	11.50
Aarav Trust	-	10.00
Nehal Trust	-	17.00

#### 9 Deposit outstanding receivable

Industrial Development and Investment Co. Pvt. Ltd.	-	15.75
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#### 10 Sale of Flat

Rajendra V Gandhi	600.00	-
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#### 11 Sale of Furniture

Rajendra V Gandhi	65.00	-
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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

	As at 31-03-2015	As at 31-03-2014
<b>34 Research &amp; Development Expenditure:</b>		
Accounting for Research & Development expenditure incurred :		
(a) Capital Expenditure incurred on Equipments & Machinery (includes ₹ 38.98 lakhs Capital work in progress of last year now capitalised)	301.78	225.11
(b) Capital Expenditure incurred on Buildings, Furniture & office equipments	327.93	-
(c) Capital Work in Progress	7.04	38.98
(d) Revenue Expenditure incurred towards the R&D Projects	217.10	75.62
The sales income of ₹ 0.37 lakhs from sale of Pilot plant trial material has been included in Sales revenue and above expenditure is debited to respective head of accounts.		
<b>35 Segment Reporting :</b>		
Segment reporting as required by Accounting Standard 17 issued by the Institute of Chartered Accountant of India.		
<b>1 Segment Revenue</b>		
a) Reclaim Rubber (Net of Excise Duty) *	33,111.94	29,852.87
b) Power	66.25	68.85
c) Others **	378.26	480.26
<b>Net Segment Revenue</b>	<b>33,556.45</b>	<b>30,401.98</b>
* Reclaim Rubber includes crumb rubber, punch & split products		
** Others includes Thermo Plastic Elastomers & Trading Goods		
<b>2 Segment Results Profit(+) / Loss(-) before Tax and Interest from each segment)</b>		
a) Reclaim Rubber	2,571.48	3,576.54
b) Power	36.21	26.18
c) Others	(302.30)	(49.89)
<b>Sub Total</b>	<b>2,305.39</b>	<b>3,552.83</b>
Less: Interest, Un-allocable expenditure & Un-allocable Income (net of expenses)	1,203.24	1,776.54
<b>Profit Before Tax &amp; Extra Ordinary Item</b>	<b>1,102.15</b>	<b>1,776.29</b>
Less: Extra Ordinary Item	-	-
<b>Profit Before Tax</b>	<b>1,102.15</b>	<b>1,776.29</b>
Provision for Taxation:		
- Income Tax	290.90	297.69
- Deferred Tax	(75.56)	396.01
<b>Profit After Tax</b>	<b>886.81</b>	<b>1,082.59</b>
<b>3 Other Information</b>		
<b>I Segment Assets</b>		
a) Reclaim Rubber	19,287.70	20,612.13
b) Power	268.47	286.69
c) Others	1,153.68	806.06
d) Un-allocated Assets	2,808.91	2,516.98
e) Total	<b>23,518.76</b>	<b>24,221.86</b>
<b>II Segment Liabilities</b>		
a) Reclaim Rubber	4,970.60	6,658.77
b) Power	1.06	52.66
c) Others	98.08	83.64
d) Un-allocated Liabilities	7,201.98	6,867.36
e) Total	<b>12,271.72</b>	<b>13,662.43</b>
<b>III Capital Expenditure (Including Capital Work in Progress)</b>		
a) Reclaim Rubber	1,426.82	1,114.38
b) Power	0.14	8.90
c) Others	497.66	321.49
d) Unallocable	29.83	64.41
e) Total	<b>1,954.45</b>	<b>1,509.18</b>
<b>IV Depreciation</b>		
a) Reclaim Rubber	1,284.63	1,101.82
b) Power	14.69	27.22
c) Others	60.48	21.12
d) Unallocable	112.23	94.26
e) Total	<b>1,472.03</b>	<b>1,244.42</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

### V Non Cash Expenditure other than Depreciation

a) Reclaim Rubber	0.53	81.67
b) Power	-	-
c) Others	-	0.17
d) Unallocable	-	4.75
e) Total	<b>0.53</b>	<b>86.59</b>

### 4 Information about Secondary Segments

(i) Revenue & Sundry Debtors as per Geographical Markets

Particulars	Revenue		Trade Receivable	
	2014-15	2013-14	2014-15	2013-14
India	9,411.38	9,220.28	1,613.98	1,871.64
Outside India	24,145.07	21,181.71	3,434.28	3,125.91
Total	<b>33,556.45</b>	<b>30,401.99</b>	<b>5,048.26</b>	<b>4,997.55</b>

(ii) The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence separate figures for fixed assets / additions to fixed assets cannot be furnished

### 36 Corporate Social Responsibility Expenditure :

a) Gross amount required to be spent by the company during the year.

As at  
31-03-2015

As at  
31-03-2014

b) Amount Spent during the year on:

In cash	Yet to be paid in cash	Total
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i) Construction/acquisition of any asset

ii) On purposes other than (i) above

55.96 - 55.96

### 37 Expenses / Earnings in foreign currency:

	As at 31-03-2015	As at 31-03-2014
(i) Raw Material	613.63	826.28
(ii) Capital Goods	191.21	19.50
(iii) Expenditure in foreign currency	692.10	902.68
(iv) Earning in foreign exchange in respect of Export of Goods ( F.O.B. value )	22,595.61	19,708.42

### 38 Foreign currency exposures:

	(Amount in Foreign Currency (in lakh))		As at 31-03-2015	As at 31-03-2014
<b>(a) Foreign currency exposures that are hedged as at 31st March</b>				
Forward contracts				
USD	30.00	2.00	1,879.50	119.98
EURO	29.00	1.50	1,952.57	123.86
	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
<b>(b) Foreign currency exposures that are not hedged as at 31st March</b>				
<b>Total Receivables includes sales proceedings</b>				
USD	3.87	24.55	230.13	1,463.15
EURO	(9.42)	18.23	(647.29)	1,488.65
GBP	0.47	0.32	42.78	31.59
<b>Total Payables includes imports, bank loans and interest payments</b>				
USD	53.00	67.43	3,320.21	4,042.10
EURO	27.00	30.35	1,817.94	2,507.44
GBP	-	0.63	-	63.24

### 39 Earnings per share :

	As at 31-03-2015	As at 31-03-2014
- Net Profit after tax for the year	945.71	1,082.19
- Excess Provision for tax for earlier years	58.90	(0.41)
- Net Profit attributable to Equity Shareholders	886.81	1,082.60
- Number of equity shares of ₹ 10/- each.	1,333,333	1,333,333
- Earnings per share - Basic	66.51	81.20
- Earnings per share -Diluted	66.51	81.20

**Other Notes**

- 40 During the year a sum of USD 6.38 lakhs equivalent to ₹ 398.98 lakhs being receivable from a debtor has been remitted away by the customer to an account other than that of the company by fraudulent means. The company has lodged a FIR with Police department and has also taken up the matter with the customer, and is hopeful of recovering full amount, hence the same is not treated as doubtful and no provision is made in the accounts for the same.
- 41 The company has paid commission to an independent Non Executive Director which is more by ₹ 1 lakh than 1% of net profit and the same has been recovered from him during the current Financial Year.
- 42 Exceptional items represents profit on sale of residential flat including furniture and fixtures to the Managing Director of the company.
- 43 Expenses debited to Profit & Loss account include prior period expenses ₹ 33.32 lakhs (March 31, 2014 : ₹ 14.71 lakhs)
- 44 Closing stock of Finished Goods include excise duty of ₹ 82.14 lakhs (March 31, 2014 : ₹ 90.76 lakhs)
- 45 In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised, in the ordinary course of the business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 46 Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

For and on behalf of the Board of Directors

**For A. B. Modi & Associates**  
Chartered Accountants  
ICAI Firm Registration no. 106473W

**Rajendra V Gandhi**  
Managing Director

**Rajesh S. Shah**  
Partner  
Membership no. 017844

**Harsh R Gandhi**  
Executive Director

Place : Mumbai  
Date : 30th May, 2015

**Ganesh A Ghangurde**  
President & Chief Financial Officer &  
Company Secretary

Place : Mumbai  
Date : 30th May, 2015

## INDEPENDENT AUDITORS' REPORT

To the Members of GRP LIMITED

### Report on the Consolidated Financial Statements

- 1) We have audited the accompanying consolidated financial statements of GRP Limited (hereinafter referred to as the 'Company'), and its subsidiary and jointly controlled entity (hereinafter referred to as the 'Group'), to the attached consolidated financial statement which comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

- 2) The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act 2013 (the 'Act') with respect to the preparation of these consolidated financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

- 3) Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 4) While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 5) We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- 6) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
- 7) We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.
- 8) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

- 9) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures specified under Section 133 of the Act, read with Rule 7 of the Companies

(Accounts) Rules, 2014.

- 10) In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on the financial statements of jointly controlled entity as noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Emphasis of Matters**

- 11) We draw your attention to Note no.39 in the Notes to the financial statements in respect of Fraud occurred during the year on the Company.

Our report is not qualified / modified in respect of this matter.

#### **Other Matters**

- 12) We did not audit the financial statements of jointly controlled entity included in the consolidated financial statements whose financial statements reflect total assets of Rs.94.44 lacs and net assets of Rs.93.83 lacs as at 31st March, 2015, total revenues of Rs.Nil and net cash flows amounting to Rs.Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms Section 143(11)(3) of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on the reports of the other auditors.

Our Opinion is not qualified in respect of this matter.

Place: Mumbai  
Date: 30th May, 2015

A. B. Modi & Associates  
Chartered Accountant  
Firm Registration No: 106473W

Rajesh S. Shah  
Partner  
Membership No.: 017844

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in lakh)

	Note	As at 31-03-2015	As at 31-03-2014
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	133.33	133.33
Reserves and surplus	3	11,141.25	10,453.19
		<b>11,274.58</b>	<b>10,586.52</b>
<b>Non-current Liabilities</b>			
Long term borrowings	4	1,046.19	2,420.80
Deferred tax liabilities (net)	5	2,394.69	2,479.83
Other long term liabilities	6	10.00	10.00
Long term provisions	7	130.54	164.86
		<b>3,581.42</b>	<b>5,075.49</b>
<b>Current Liabilities</b>			
Short term borrowings	8	4,240.11	4,519.91
Trade payables	9	2,035.31	1,877.93
Other current liabilities	10	1,869.46	1,869.44
Short term provisions	11	331.27	310.93
		<b>8,476.15</b>	<b>8,578.21</b>
		-	0.06
<b>Minority Interest</b>			
<b>Total Equity &amp; Liabilities</b>		<b>23,332.15</b>	<b>24,240.28</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	12	12,890.55	13,543.67
- Intangible assets	12	87.16	77.14
- Capital work-in-progress	12	610.96	388.58
Non current investments	13	58.50	43.00
Long term loans and advances	14	667.61	803.86
Other non current assets	15	1.42	23.16
		<b>14,316.20</b>	<b>14,879.41</b>
<b>Current Assets</b>			
Current investments	16	0.08	0.08
Inventories	17	3,005.13	3,326.17
Trade receivables	18	5,048.26	4,997.55
Cash & Bank Balances	19	218.48	264.89
Short term loans and advances	20	431.02	626.86
Other current assets	21	312.98	145.32
		<b>9,015.95</b>	<b>9,360.87</b>
<b>Total Assets</b>		<b>23,332.15</b>	<b>24,240.28</b>

Significant Accounting policies and Notes on Financial Statements

1 - 46

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our Report of even date

**Rajendra V Gandhi**  
Managing Director

**For A. B. Modi & Associates**  
Chartered Accountants  
ICAI Firm Registration no. 106473W

**Harsh R Gandhi**  
Executive Director

**Rajesh S. Shah**  
Partner  
Membership no. 017844

**Ganesh A Ghangurde**  
President & Chief Financial Officer &  
Company Secretary

Place : Mumbai  
Date : 30th May, 2015

Place : Mumbai  
Date : 30th May, 2015

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2015

(₹ in lakh)

	Note	Year ended 31-03-2015	Year ended 31-03-2014
<b>Revenue :</b>			
Gross Sales	22	34,704.46	31,527.24
Less: Excise duty		1,148.01	1,125.25
Net Sales		33,556.45	30,401.99
Other operating income	23	390.56	477.16
Revenue from operations (net)		33,947.01	30,879.15
Other income	24	707.73	205.61
<b>Total revenue</b>		<b>34,654.74</b>	<b>31,084.76</b>
<b>Expenses :</b>			
Cost of materials consumed	25	17,770.90	14,640.40
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	14.89	(116.60)
Employee benefits expenses	27	4,343.76	3,551.71
Finance costs	28	495.91	695.98
Depreciation and amortization expenses	29	1,472.04	1,244.42
Other expenses	30	9,575.31	9,290.42
<b>Total expenses</b>		<b>33,672.81</b>	<b>29,306.33</b>
Profit before exceptional and extraordinary items and tax		981.93	1,778.43
Add: Exceptional items	41	121.16	-
Profit before extraordinary items and tax		1,103.09	1,778.43
Extraordinary items		-	-
<b>Profit before tax</b>		<b>1,103.09</b>	<b>1,778.43</b>
<b>Minority Interest</b>			
		-	-
<b>Tax expense</b>			
Current tax		232.52	375.34
Mat credit entitlement		0.05	(76.71)
Deferred tax		(75.56)	396.01
Excess / (short) provision of earlier years		58.90	(0.79)
<b>Profit (Loss) for the period</b>		<b>887.18</b>	<b>1,084.58</b>
<b>Earnings per equity share ( of ₹ 10/- each)</b>			
	38		
(1) Basic		66.54	81.34
(2) Diluted		66.54	81.34

Significant Accounting policies and Notes on Financial Statements

1 - 46

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our Report of even date

**For A. B. Modi & Associates**

Chartered Accountants  
ICAI Firm Registration no. 106473W

**Rajesh S. Shah**

Partner  
Membership no. 017844

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Chief Financial Officer &  
Company Secretary

Place : Mumbai

Date : 30th May, 2015

Place : Mumbai

Date : 30th May, 2015



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	( ₹ in lakh)	
	Year ended 31-03-2015	Year ended 31-03-2014
<b>A Cash flow from Operating activities</b>		
Net profit before tax and extra ordinary items	1,103.09	1,778.43
Adjustments for		
- Depreciation	1,472.04	1,244.42
- (Profit) / Loss on sale of assets (Net)	(120.64)	86.42
- Wealth tax provision	0.60	5.82
- Interest (Net)	415.89	597.95
- Rent received	(22.36)	(10.80)
- Dividend received	(0.11)	(0.33)
- Excess / Short Provision for earlier years	0.17	-
	<b>1,745.59</b>	<b>1,923.49</b>
<b>Operating Profit before working capital changes</b>	<b>2,848.68</b>	<b>3,701.92</b>
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	(128.15)	(323.18)
- (Increase)/Decrease in Inventories	321.03	(92.63)
- Increase/(Decrease) in Trade payable	295.70	123.92
	<b>488.58</b>	<b>(291.89)</b>
<b>Cash generated from operations</b>	<b>3,337.27</b>	<b>3,410.03</b>
Direct taxes paid	(179.17)	(579.43)
<b>Net cash from operating activities</b>	<b>3,158.09</b>	<b>2,830.60</b>
<b>B Cash flow from investing activities</b>		
- Interest received	18.50	19.33
- Sale proceeds of fixed assets	660.23	87.97
- Rent received	22.36	10.80
- Dividend Income	0.11	0.33
- Investment in Fixed Deposit	20.97	(14.08)
- Investments	(15.51)	(29.15)
- Purchase of fixed assets	(1,544.21)	(1,470.85)
<b>Net cash used in investing activities</b>	<b>(837.56)</b>	<b>(1,395.66)</b>
<b>C Cash flow from financing activities</b>		
- Loans borrowed (Net of repayment)	(1,730.70)	(528.83)
- Interest paid	(443.80)	(628.16)
- Dividend paid	(193.21)	(220.37)
<b>Net cash used in financing activities</b>	<b>(2,367.71)</b>	<b>(1,377.36)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>(47.18)</b>	<b>57.58</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>238.78</b>	<b>181.20</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>191.60</b>	<b>238.78</b>
<b>Cash and Bank Balances</b>		
<b>A Cash and cash equivalents</b>		
Cash on hand	8.61	8.76
Balance with banks		
(a) In Current accounts	100.72	15.74
(b) In Cash Credit accounts	36.32	54.74
(c) In EEFC accounts	21.73	50.87
(d) In deposit accounts (Refer Note below)	-	94.20
(e) In earmarked accounts	24.22	14.47
	<b>191.60</b>	<b>238.78</b>
<b>B Other Bank Balance (maturity above 3 months)</b>	<b>28.30</b>	<b>49.27</b>
	<b>219.90</b>	<b>288.05</b>

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

**For A. B. Modi & Associates**  
Chartered Accountants  
ICAI Firm Registration no. 106473W

**Rajesh S. Shah**  
Partner  
Membership no. 017844

Place : Mumbai  
Date : 30th May, 2015

For and on behalf of the Board of Directors

**Rajendra V Gandhi**  
Managing Director

**Harsh R Gandhi**  
Executive Director

**Ganesh A Ghangurde**  
President & Chief Financial Officer &  
Company Secretary

Place : Mumbai  
Date : 30th May, 2015

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015** (₹ in lakh)

Amounts in the financial statements are presented in a Lakhs, except for per share data and as otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off, are detailed in note .

**1 (a) Basis of Consolidation**

**(A)** The consolidated financial statements present the consolidated accounts of GRP Limited with its following Subsidiary and Jointly controlled entity. Companies considered in the consolidated financial statements are :

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
Grip Polymers Limited (Subsidiary)	India	100.00%
Gripsurya Recycling LLP (Jointly controlled entity of Subsidiary)	India	50.00%

**(B)** Principles of consolidation :

- i) The financial statements of the parent company and its subsidiary have been consolidated on a line - by - line basis by adding together, the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and the unrealised profits.
- ii) The financial statements of the parent company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) The excess of parent company's share of equity in the subsidiary over the cost of its investments in subsidiary, on the acquisition date, is recognised in the financial statements as capital reserve.
- iv) The financial statements of the company and its jointly controlled entities of its subsidiary are combined on proportionate consolidation method on line - by - line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter group balances and intragroup transaction.

**1 (b) Significant Accounting Policies:**

**(A) Basis of accounting :**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied by the company and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use. All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and the realisation in cash and cash equivalent, the company has ascertained its operating cycle less than 12 months.

**(B) Accounting Estimates :**

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any difference between the actual result and estimates are recognized in the period in which the results are known / materialised. Any revision to accounting estimates is recognized prospectively in current and future periods.

**(C) Fixed assets & Depreciation :**

**i) Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable to cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Exchange variation arising from repayment / restatement of the long term debts / borrowings in foreign currencies for acquisition of fixed assets is capitalised in terms of the option exercised by the company as per the MCA circular Notification no. G.S.R.378 (E) dated 11th May, 2011 and further amended by pursuant to circular no. 25 / 2012 dated 9th August, 2012 issued by Ministry of Corporate Affair.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(ii) Depreciation and Amortisation**

Depreciation on fixed assets is provided on straight line method for the period for which the assets have been used as under:

- 1) Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013.
- 2) Effective 1st April, 2014, the company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in schedule XIV of the Companies Act 1956.
- 3) Plant & machinery which have worked for more than single shift, depreciation is provided for accordingly as per rate prescribed in schedule II of the Companies Act, 2013.
- 4) Leasehold land is amortised over the period of lease.

**(iii) Intangible Assets and Amortisation**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The amortisation rates used are :

Asset	Period of Amortisation
Computer Software	6 years
Copyrights	10 years

**(D) Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(E) Borrowing Costs :**

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are capitalized as part of the cost of the respective asset. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of those borrowings. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**(F) Government Grants and Subsidy :**

Special capital incentive and subsidy received from the government for setting up or expansion of an industrial undertaking in undeveloped area of state, is credited to Special capital incentive and subsidy account under Capital Reserve Account.

**(G) Investments :**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term investments are carried at cost. However provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually. Current

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015** (₹ in lakh)

investments are valued at cost or market value whichever is lower.

**(H) Taxes :**

Provision for tax is made for both current and deferred taxes. Provisions for current income tax (including Wealth tax) is made at current tax rates based on assessable income/wealth. The Company provides for deferred tax based on the tax effect of timing difference resulting from the recognition of items in the financial statement and in estimating its current tax provision. Deferred tax assets are recognized if there is a reasonable certainty of realisation. The effect on deferred taxes of a change in tax rates is recognized in the Profit & Loss Account in the period in which it has been enacted.

Minimum Alternative Tax (MAT) credit entitlement is recognised in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative Tax under the Income-tax Act, 1961" issued by ICAI. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. At each balance sheet date the company re-assesses MAT credit assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be and adjusts the same accordingly.

**(I) Inventories :**

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined on weighted average basis. However raw materials are written down to realisable value only if the cost of the related finished goods is not expected to recover the cost of raw materials.

Work in - progress and finished goods are valued at lower of cost and net realisable value. Cost of work in progress and finished goods is determined on absorption costing method which include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.

**(J) Income / Expenses Recognition :**

- i) Domestic Sales are recognized on dispatch of goods from factory and Export Sales on transfer of significant risk & rewards of ownership of such goods. Sales are disclosed net of sales tax / Value added tax, discounts and sales return as applicable.
- ii) Income from Power generation is accounted on the basis of certification of Gujarat Electricity Development Authority.
- iii) Commission expenses on sales (other than consignment sales) is accounted on realisation of sales proceeds and commission on consignment sales is accounted on receipt of statement of consignment sale.
- iv) Rentals and all other expenses in respect of leased assets are treated as revenue expenditure.
- v) The company accounts for excise duty rebate, duty entitlements and focus benefits on exports on accrual basis.
- vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vii) Dividend income is recognized when the right to receive dividend is established

**(K) Foreign currency & derivative transactions :**

- i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are restated at the rate as of the date of Balance Sheet.
- ii) In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract. Exchange differences on such contracts are recognised in the statement of Profit and Loss in the year in which they arise. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period. The objective of these derivative instruments is to reduce the risk or cost to the company and is not intended for trading or speculation purposes.
- iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets in line with notification dated 11th May, 2011 and further amended and issued by Ministry of Corporate Affairs.
- iv) Exposure on account of Cross Currency swaps entered into by the company is accounted on basis of mark to market losses, if any.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

**(L) Employees Benefits :**

**Long Term Employee Benefits :**

**(a) Defined Contribution Plans :**

**Provident Fund**

The company makes contribution to statutory provident fund in accordance with the Employees Provident Fund & Miscellaneous Provisions Act, 1952, which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

**(b) Defined Benefit Plans :**

**i) Gratuity**

The company has a defined benefit employee retirement scheme in the form of gratuity trust. The Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). Charge for the year is determined on the basis of actuarial valuation using the projected unit credit method, as at the date of the balance sheet. Actuarial Gains / Losses, if any are recognised in the statement of profit & loss. Contributions were deposited with the LIC based on intimation received by the company.

**ii) Leave Encashment**

Provision for leave encashment, which is a defined benefit, is made based on actuarial valuation done by an independent agency of notified actuaries by using the projected unit credit method. Actuarial Gains / Losses, if any are recognised in the statement of profit & loss.

**iii) Superannuation**

The Company has Superannuation Plan for its executives - a defined contribution plan. The Company makes annual contribution of the covered employees' salary, subject to maximum of a 1 lakh per employee, for the executive opting for the benefit. The plan is managed by a Trust and the funds are invested with Life Insurance Corporation of India under its Group Superannuation Scheme. Annual contributions as specified under the Trust deed are paid to the Life Insurance Corporation of India and recognised as an expense of the year in which the liability is incurred.

**Short Term Employee Benefits :**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

**(M) Lease:**

Lease agreements where the risk & rewards, incidents to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rent under operating lease are recognised in the profit & loss statement on straight line basis.

**(N) Research & Development:**

Capital Expenditure for Research & Development is capitalised when commissioned and included in the fixed assets. Revenue expenditure on Research & Development is charged in the period in which it is incurred.

**(O) Provisions, Contingent Liabilities and Contingent Assets :**

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

**(P) Earning per Share :**

The company reports basic and diluted earning per share (EPS) in accordance with the Accounting Standard specified under Section 133 of the Companies Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the end of the year.

**(Q) Segment reporting :**

**Identification of segments**

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

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

**(R) Cash and cash equivalents :**

Cash and cash equivalents for the purposes of cash-flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

2 Share Capital:	As at 31-03-2015	As at 31-03-2014
<b>Authorized</b>		
1,500,000 (March 31, 2014 : 1,500,000) equity shares of ₹ 10 each	150.00	150.00
<b>Issued, Subscribed and Paid up</b>		
1,333,333 (March 31, 2014 : 1,333,333) Equity shares of ₹ 10 each fully paid-up	133.33	133.33
	<b>133.33</b>	<b>133.33</b>

**(a) Rights, preferences and restrictions attached to shares**

- (i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- (ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (iii) In the event of liquidation of the Company, the holders of the equity shares of the Company will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

**(b) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2015 and March 31, 2014, is set out below :**

	As at 31-03-2015	As at 31-03-2014
<b>Equity Shares:</b>		
<b>At the beginning</b>		
- Number of shares	1,333,333	1,333,333
- Amount	133.33	133.33
<b>At the end</b>		
- Number of shares	1,333,333	1,333,333
- Amount	133.33	133.33

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Meera Philip	81,666	6.12%	81,666	6.12%
Enarjee Consultancy & Trading Co LLP	58,624	4.40%	88,464	6.63%

3 Reserves and Surplus:	As at 31-03-2015	As at 31-03-2014
<b>Capital reserve</b>		
<b>Special capital incentive and subsidy</b>		
Balance as per last Balance sheet	53.30	53.30
<b>Profit on re-issue of forfeited shares</b>		
Balance as per last Balance sheet	0.01	0.01
<b>Securities Premium account</b>		
Balance as per last Balance sheet	41.67	41.67
<b>Excess of Share in Net Assets of subsidiary company</b>		
Balance as per last Balance sheet	3.08	3.08
Add: Adjustment for additional shares purchased	0.05	-
<b>Total Excess of Share in Net Assets of subsidiary company</b>	<b>3.13</b>	<b>3.08</b>
<b>Balance as at the end of the year</b>	<b>98.11</b>	<b>98.06</b>
<b>General Reserve</b>		
Balance as at beginning of the year	6,009.32	5,009.32
Add : Transferred from the statement of profit and loss account	-	1,000.00
<b>Balance as at the end of the year</b>	<b>6,009.32</b>	<b>6,009.32</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

**Surplus in Statement of Profit & Loss**

Balance as at beginning of the year	4,345.81	4,510.81
Profit for the year	887.18	1,084.59
<b>Amount available for appropriation</b>	<b>5,232.99</b>	<b>5,595.40</b>
Less: Appropriations :		
- Interim dividend	-	20.00
- Dividend / Final dividend	150.00	193.33
- Total dividend	150.00	213.33
- Dividend tax	30.54	36.26
- Amount transferred to general reserve	-	1,000.00
- Transitional provision for : Depreciation charge	28.23	-
- : Deferred tax on above	(9.60)	-
<b>Total appropriations</b>	<b>199.17</b>	<b>1,249.59</b>
<b>Balance as at end of the year</b>	<b>5,033.82</b>	<b>4,345.81</b>
<b>Total reserves and surplus</b>	<b>11,141.25</b>	<b>10,453.19</b>

4 Long Term Borrowings:	As at	As at	As at	As at
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	Current Maturity		Non-current portion	
<b>Secured:</b>				
<b>Term Loans from Banks:</b>				
Foreign Currency Loans from Banks	866.95	977.56	565.46	1,371.59
Rupee Loans from Banks	564.17	564.17	480.00	1,044.17
<b>Total Secured Borrowings</b>	<b>1,431.12</b>	<b>1,541.73</b>	<b>1,045.46</b>	<b>2,415.76</b>
<b>Unsecured:</b>				
Loans from Banks	1.24	9.49	-	1.24
Deferred Sales Tax payments	3.08	6.41	0.73	3.80
<b>Total Unsecured Borrowings</b>	<b>4.32</b>	<b>15.90</b>	<b>0.73</b>	<b>5.04</b>
	<b>1,435.44</b>	<b>1,557.63</b>	<b>1,046.19</b>	<b>2,420.80</b>
Amount disclosed under the head "Other current liabilities" (refer note 10 )	(1,435.44)	(1,557.63)	-	-
<b>Total long-term borrowings</b>	<b>-</b>	<b>-</b>	<b>1,046.19</b>	<b>2,420.80</b>

**A Nature of security and terms of repayment for secured borrowings:**

**1 Rupee loan from HDFC Bank Ltd. of ₹ 324.17 lakhs (March 31, 2014 : ₹ 648.35 lakhs) for Factory (Phase I) at Chincholi, Solapur**

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Chincholi, Solapur, both present and future and by way of mortgage of Land together with factory building and structures situated at Chincholi factory, Solapur.

Repayable in 20 equal quarterly instalments beginning from June 20, 2011, along with interest of 13 % p.a.

**2 Rupee loan from HDFC Bank Ltd. of ₹ 720.00 lakhs (March 31, 2014 : ₹ 960.00 lakhs) for Factory (Phase II) at Chincholi, Solapur**

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Chincholi, Solapur, both present and future and by way of mortgage of Land together with factory building and structures situated at Chincholi factory, Solapur.

Repayable in 20 equal quarterly instalments beginning from April 30, 2013, along with interest of 13 % p.a.

**3 Foreign currency loan from HDFC Bank Ltd. of ₹ NIL (March 31, 2014 : ₹ 51.69 lakhs) for Wind Mill project.**

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

Repayable in 20 equal quarterly instalments beginning from February 5, 2010, along with interest of 5 % p.a.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015** (₹ in lakh)

**4 Foreign currency loan from HDFC Bank Ltd. of ₹ NIL (March 31, 2014 : ₹ 95.73 lakhs) for Kurla Office I premises at Mumbai**

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

Repayable in 60 equal monthly instalments beginning from February 5, 2010, along with interest of 5 % p.a.

**5 Foreign currency loan from HDFC Bank Ltd. of ₹ 113.01 lakhs (March 31, 2014 : ₹ 216.42 lakhs) for Kurla Office II premises at Mumbai**

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

Repayable in 20 equal quarterly instalments beginning from September 20, 2011 along with interest of 8 % p.a.

**6 Foreign currency loan from Citi Bank, N.A. of ₹ 1,319.40 lakhs (March 31, 2014 : ₹ 1,985.31 lakhs) for Perundurai factory, in Tamil Nadu**

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Perundurai, Tamilnadu, both present and future and by way of mortgage of Land together with factory building and structures situated at Perundurai, Tamilnadu.

Repayable in 15 equal quarterly instalments beginning from April 22, 2013 along with interest @ 5.61% p.a.

**B Terms of repayment for unsecured borrowings:**

**1 Deferred sales-tax payments**

Deferred sales-tax payment is interest free loan and repayable from financial year 2006-07 to 2016-17.

**2 Loans from Bank**

Vehicle loans are secured by vehicles under hypothecation with banks.

Loans are repayable in 36 monthly instalments from the date of respective loans.

<b>5 Deferred Tax Liabilities (Net):</b>	<b>As at</b>	<b>As at</b>		
	<b>31-03-2015</b>	<b>31-03-2014</b>		
<b>Deferred Tax Liabilities</b>				
- Depreciation	2,419.27	2,497.36		
- Gratuity (Expenses allowable for tax purposes when paid)	19.69	28.71		
	<b>2,438.96</b>	<b>2,526.07</b>		
<b>Deferred Tax Assets</b>				
- Provision for employee benefit	44.27	46.24		
	<b>44.27</b>	<b>46.24</b>		
<b>Total deferred tax liabilities (net)</b>	<b>2,394.69</b>	<b>2,479.83</b>		
<b>6 Other Long-term Liabilities:</b>	<b>As at</b>	<b>As at</b>		
	<b>31-03-2015</b>	<b>31-03-2014</b>		
Security deposit received against the rental income	10.00	10.00		
<b>Total other long-term liabilities</b>	<b>10.00</b>	<b>10.00</b>		
<b>7 Long-term Provisions:</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2015</b>	<b>31-03-2014</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
	<b>Current Maturity</b>		<b>Non-current portion</b>	
<b>Provision for Employees Benefit expenses:</b>				
Provision for Leave encashment	12.19	10.40	68.12	43.49
Provision for Gratuity payment	2.97	-	-	-
	<b>15.16</b>	<b>10.40</b>	<b>68.12</b>	<b>43.49</b>
Mark to market provision on derivative instruments	98.66	74.34	62.42	121.37
	<b>113.82</b>	<b>84.74</b>	<b>130.54</b>	<b>164.86</b>
Amount disclosed under the head "Short-term provisions" (refer note 11)	(113.82)	(84.74)	-	-
<b>Total Long-term provisions</b>	<b>-</b>	<b>-</b>	<b>130.54</b>	<b>164.86</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

8 Short-term Borrowings:	As at 31-03-2015	As at 31-03-2014
<b>Secured:</b>		
<b>Working Capital Loan payable on demand from banks</b>		
Foreign Currency Loan	3,598.70	3,674.08
Rupee Loan	580.96	224.52
	<b>4,179.66</b>	<b>3,898.60</b>
<b>Buyer's credit in foreign currency loan</b>	-	443.86
<b>Unsecured:</b>		
Deposits from Public	-	117.00
Deposits from Others	60.45	60.45
	<b>60.45</b>	<b>177.45</b>
<b>Total Short-term borrowings</b>	<b>4,240.11</b>	<b>4,519.91</b>

(a) Working Capital Loan from HDFC Bank Ltd of ₹ 2738.32 lakhs (March 31, 2014 : ₹ 2,865.81 lakhs)

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

(b) Working Capital loan from Citi Bank N. A. of ₹ 1,441.35 lakhs (March 31, 2014 : ₹ 1,032.79 lakhs)

Secured by first pari passu charge in favour of Citi Bank N.A. by way of hypothecation of entire current assets including inventories and such other movables, books debts, bills receivables and second subservient charge on entire movable fixed assets and mortgage of immovable fixed assets of the Company, both present and future.

(c) Buyer's credit in foreign currency loan from HDFC Bank Ltd of ₹ NIL (March 31, 2014 : ₹ 443.86 lakhs) for Capital Goods.

Secured by exclusive charge on an imported recycling machine and all related equipments at Panoli factory. Repayable in one instalment due on August 08, 2014.

(d) Deposits from Public (unsecured) carry interest @ 12.50% p.a. and Deposits from Others (unsecured) carry interest @ 12.00% p.a. with maturity period of 12 months from the date of deposit.

(e) Fixed Deposits includes deposit accepted from the related parties of ₹ NIL (March 31, 2014 : ₹ 73.25 lakhs).

9 Trade Payables:	As at 31-03-2015	As at 31-03-2014
Trade payables	2,035.31	1,877.93
<b>Total trade payables</b>	<b>2,035.31</b>	<b>1,877.93</b>

Details of Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act").

To comply with the requirement of The Micro, Small and Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm it whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communication received from such suppliers confirming their coverage as such enterprise, the company has recognized them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations and are disclosed in note below.

	As at 31-03-2015	As at 31-03-2014
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end.	168.74	116.17
b) Interest due to suppliers registered under the MSMED Act and Remaining unpaid at the year end.	-	-
c) Principal amount due to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
g) Further interest remaining due and payable for earlier years	-	-

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

10 Other Current Liabilities:	As at 31-03-2015	As at 31-03-2014
Current maturities of Long-term debts (refer note 4)	1,435.44	1,557.63
Interest Accrued but not due on borrowings	38.10	50.18
Unclaimed Dividend (refer note below)	11.85	11.73
Advances from customers	41.15	17.23
Vendors for Capital Goods & Services	70.41	79.90
Statutory dues	155.17	149.45
Others	117.04	3.32
	1,869.16	1,869.44
Share in Jointly controlled entity	0.31	-
<b>Total other current liabilities</b>	<b>1,869.46</b>	<b>1,869.44</b>

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March, 2015.

11 Short Term provisions:	As at 31-03-2015	As at 31-03-2014
<b>Current maturities of Long-term provisions of Employees Benefit expenses (refer note 7)</b>		
Provision for Leave encashment	12.19	10.40
Provision for Gratuity payment	2.97	-
<b>Other Provisions</b>	15.16	10.40
Mark to market provision on derivative instruments	98.66	74.34
Proposed Dividend	150.00	193.33
Tax On Proposed Dividend	30.54	32.86
Provision for taxation - Net of Advance tax paid of ₹ 3,141.37 lakhs (March 31, 2014 : ₹ 2,995.06 lakhs)	36.91	-
	316.11	300.53
<b>Total short-term provisions</b>	<b>331.27</b>	<b>310.93</b>

12 Fixed Assets:

Particulars	Gross Block			Depreciation & Amortisation					Net Book Value		
	As at 01-04-2014	Additions	Disposal	As at 31-03-2015	As at 01-04-2014	For the period	Disposal / Discard	Transfer to Retained Earnings	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>(a) Tangible Assets</b>											
<b>Own Assets :</b>											
Lease hold Land	557.43	-	-	557.43	24.36	6.00	-	1.52	31.88	525.55	533.07
Roads	491.43	13.98	-	505.41	30.17	68.81	-	29.44	128.42	376.99	461.26
Buildings	6,155.33	389.51	(470.65)	6,074.19	652.32	169.51	(23.21)	1.49	800.10	5,274.09	5,503.01
Plant and Machinery	11,032.66	896.77	-	11,929.43	4,632.28	1,061.82	-	(23.72)	5,670.38	6,259.05	6,400.38
Furniture & Fixtures	489.01	4.46	(113.52)	379.95	105.26	48.24	(24.34)	1.32	130.49	249.46	383.75
Office equipments	153.12	19.05	(1.04)	171.13	37.11	48.07	(0.36)	17.00	101.82	69.31	116.01
Computer Hardware	128.31	12.00	-	140.31	81.88	28.37	-	0.78	111.03	29.28	46.43
Vehicles	153.19	-	-	153.19	53.43	21.89	-	0.40	75.72	77.47	99.76
<b>Sub Total (a):</b>	<b>19,160.48</b>	<b>1,335.77</b>	<b>(585.21)</b>	<b>19,911.04</b>	<b>5,616.81</b>	<b>1,452.71</b>	<b>(47.91)</b>	<b>28.23</b>	<b>7,049.84</b>	<b>12,861.20</b>	<b>13,543.67</b>
Share in Jointly controlled entity	-	29.35	-	29.35	-	-	-	-	-	29.35	-
<b>Total (a):</b>	<b>19,160.48</b>	<b>1,365.12</b>	<b>(585.21)</b>	<b>19,940.39</b>	<b>5,616.81</b>	<b>1,452.71</b>	<b>(47.91)</b>	<b>28.23</b>	<b>7,049.84</b>	<b>12,890.55</b>	<b>13,543.67</b>
<b>(b) Intangible Assets</b>											
<b>Own Assets :</b>											
Computer Software	199.33	18.29	-	217.62	122.19	18.84	-	-	141.03	76.59	77.14
Copyrights	-	11.06	-	11.06	-	0.49	-	-	0.49	10.57	-
<b>Total (b):</b>	<b>199.33</b>	<b>29.35</b>	<b>-</b>	<b>228.68</b>	<b>122.19</b>	<b>19.33</b>	<b>-</b>	<b>-</b>	<b>141.52</b>	<b>87.16</b>	<b>77.14</b>
<b>Total (a+b):</b>	<b>19,359.81</b>	<b>1,394.47</b>	<b>(585.21)</b>	<b>20,169.07</b>	<b>5,739.00</b>	<b>1,472.04</b>	<b>(47.91)</b>	<b>28.23</b>	<b>7,191.36</b>	<b>12,977.71</b>	<b>13,620.81</b>
Previous Year:	18,443.26	1,120.60	(204.06)	19,359.81	4,524.26	1,244.42	(29.68)	-	5,739.00	13,620.81	13,919.00
<b>(c) Capital Work-in-progress</b>											
Factory Building										85.63	60.12
Plant & Machinery										512.47	313.12
Other Assets										9.52	15.34
<b>Sub Total (c):</b>										<b>607.62</b>	<b>388.58</b>
Share in Jointly controlled entity										3.34	-
<b>Total (c):</b>										<b>610.96</b>	<b>388.58</b>
<b>Total fixed assets (net)</b>										<b>13,588.67</b>	<b>14,009.39</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

- (a) Addition to fixed assets and capital work-in-progress includes exchange difference of ₹ 83.63 lakhs (March 31, 2014 : ₹ 431.83 lakhs) arising on revaluation of foreign currency term loan and principal only swap rupee loans (POS) as per amended AS11 (notified by Ministry of Corporate Affairs).
- (b) Additions during the year and capital work-in-progress include ₹ 28.90 lakhs (March 31, 2014 : ₹ 15.74 lakhs) being borrowing cost capitalised.
- (c) Interest earned on account of Principle only SWAP (POS) loan amounting to ₹ 41.20 lakhs (March 31, 2014 : ₹ 59.64 lakhs) has been reduced from the cost of the respective assets
- (d) In accordance with the provisions of Schedule II of the Act, in case of fixed assets which have completed their useful life as at 1st April, 2014, the carrying value (net of residual value) amounting to ₹ 18.63 lakhs (net of deferred tax of ₹ 9.60 lakhs) as a transitional provision has been recognised in the Retained Earnings  
- Further, in case of assets acquired prior to 1st April 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April, 2014  
- Depreciation and amortization expenses for the year would have been lower by ₹ 231.47 lakhs, had the company continued with the previous assessment of useful life of such assets.
- (e) Vehicles include one car of the company acquired in the name of Director.

13 Non-current Investments:	As at 31-03-2015	As at 31-03-2014
<b>Long term investments (valued at cost unless stated otherwise)</b>		
<b>Others (Quoted):</b>		
5,000 (1,000) equity shares of ₹ 2/- (₹ 10/-) each fully paid up held in Bank of Baroda (Market Value ₹ 8,16,500/- (March 31, 2014 : ₹ 720,750/-))	0.85	0.85
<b>Other Investments (unquoted)</b>		
129,000 (March 31, 2014 : 129,000) equity shares of ₹ 10/- each fully paid up held in Bharuch Eco-aqua Infrastructure Ltd.	12.90	12.90
4,47,500 (March 31, 2014 : 292,500) equity shares of ₹ 10/- each fully paid up held in Iris Ecopower Venture Pvt. Ltd.	44.75	29.25
<b>Total non-current investment</b>	<b>58.50</b>	<b>43.00</b>
<b>14 Long-term Loans and Advances:</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
Advances for Capital Expenditure	18.40	102.80
Other Advances & Deposits	272.73	265.40
Prepaid Expenses	3.89	2.71
MAT credit entitlement	372.59	432.95
<b>Total long-term loans and advances</b>	<b>667.61</b>	<b>803.86</b>
Other advances & deposits include deposit of ₹ NIL (March 31, 2014 : ₹ 15.75 lakhs) with a company in which some of the directors are interested.		
Prepaid expenses include current maturity amount of ₹ 57.22 lakhs (March 31, 2014 : ₹ 59.04 lakhs) (refer note no. 20)		
Considering the future profitability and taxable positions in the subsequent years, the company has recognised the "MAT credit entitlement" as an asset by crediting profit and loss account for an equivalent amount and disclosed under "Loans and Advances" in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative Tax" issued by ICAI.		
<b>15 Other non-current assets:</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
Long term Deposit with Bank (Maturity more than 12 months)	1.42	23.16
<b>Total other non-current assets</b>	<b>1.42</b>	<b>23.16</b>
Fixed Deposit with Bank include deposit of ₹ 0.25 lakhs (March 31, 2014 : ₹ 0.23 lakhs) lien with the Maharashtra Sales Tax Department.		
<b>16 Current Investments:</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
<b>Unquoted</b>		
7 years National Savings Certificates (Deposited with Central Excise Authority)	0.08	0.08
<b>Total current investments</b>	<b>0.08</b>	<b>0.08</b>
<b>17 Inventories:</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
Stores and Spares	136.30	124.89
Packing Materials	46.64	45.30
Raw Materials (includes Rubber Scrap, Process oils and Chemicals)	1,342.57	1,648.73
Fuel materials	13.53	20.32
FMS Licence Stocks (at net realisable value)	10.11	16.06
Goods-in-process	242.41	191.69
Goods-in-transit	386.64	398.17
Finished Goods	826.93	881.01
<b>Total inventories</b>	<b>3,005.13</b>	<b>3,326.17</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

	As at 31-03-2015	As at 31-03-2014
<b>18 Trade Receivables:</b>		
<b>Unsecured</b>		
Outstanding for more than six months		
- Considered Good	10.86	9.06
- Considered Doubtful	0.17	0.17
	11.03	9.23
- Less: Provision for bad & doubtful debts	(0.17)	(0.17)
	10.86	9.06
Others		
- Considered Good (refer note no. 39)	5,037.40	4,988.49
<b>Total trade receivables</b>	<b>5,048.26</b>	<b>4,997.55</b>
<b>19 Cash &amp; Bank Balances:</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	8.61	8.76
<b>Balance with banks</b>		
(a) In Current accounts	95.65	15.74
(b) In Cash Credit accounts	36.32	54.74
(c) In EEFC accounts	21.73	50.87
(d) In deposit accounts (Maturity less than 3 months)	-	95.52
(e) In earmarked accounts		
- Unclaimed dividend accounts (Refer Note below)	11.85	11.73
- Margin money deposits	12.37	2.74
	177.92	231.34
<b>Other Bank Balances</b>		
- In Fixed Deposit accounts (Maturity more than 3 Months but less than 12 months)	26.88	24.79
	<b>213.41</b>	<b>264.89</b>
<b>Share in Jointly controlled entity</b>	<b>5.07</b>	<b>-</b>
<b>Total cash and bank balance</b>	<b>218.48</b>	<b>264.89</b>
<b>Notes:</b>		
There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31-03-2015		
<b>20 Short-term Loans and Advances:</b>		
Advances recoverable in cash or in kind	242.39	314.39
Other Advances & Deposits	1.18	1.49
Deposit with Central Excise	124.09	203.28
Current maturity of Prepaid Expenses	57.22	59.04
Advance Income-tax & Wealth-tax - Net of provisions ₹ 3,178.28 lakhs (March 31, 2014 : ₹ 2,946.40 lakhs)	-	48.66
	<b>424.88</b>	<b>626.86</b>
<b>Share in Jointly controlled entity</b>	<b>6.14</b>	<b>-</b>
<b>Total short-term loans and advances</b>	<b>431.02</b>	<b>626.86</b>
<b>21 Other Current Assets:</b>		
Accrued Income	105.96	119.70
Receivable from LIC (Gratuity claim)	6.15	12.14
Forex Forward Contract (Net)	197.55	13.48
	309.66	145.32
<b>Share in Jointly controlled entity</b>	<b>3.32</b>	<b>-</b>
<b>Total other current assets</b>	<b>312.98</b>	<b>145.32</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

	Year ended 31-03-2015	Year ended 31-03-2014
<b>22 Revenue:</b>		
(i) Sale of products		
Manufactured goods	34,638.21	31,455.84
Less : Excise duty	1,148.01	1,125.25
	<b>Total: 33,490.20</b>	<b>30,330.59</b>
(ii) Trading of Goods	-	2.55
(iii) Power generation from Windmill	66.25	68.85
<b>Total revenue</b>	<b>33,556.45</b>	<b>30,401.99</b>
<b>Manufactured Goods / Power Generation / Trading</b>		
- Reclaim Rubber	32,536.44	29,222.19
- Punch & Split Products	575.50	630.69
- Thermo Plastic Elastomers	378.26	477.71
- Trading of Goods	-	2.55
- Power generation from Windmill	66.25	68.85
<b>23 Other operating income:</b>		
Export incentives	390.54	434.47
Bad debts recovered	-	4.29
Other Sales	0.02	38.40
<b>Total other operating income</b>	<b>390.56</b>	<b>477.16</b>
<b>24 Other income:</b>		
Interest received	15.83	19.28
Rent Income	22.36	10.80
Net Gain on foreign currency transactions and translation.	669.43	175.20
Other Income	0.11	0.33
<b>Total other income</b>	<b>707.73</b>	<b>205.61</b>
<b>25 Cost of material consumed:</b>		
<b>Raw material consumed:</b>		
Opening inventories	1,648.73	1,644.49
Add : Purchases (including incidental expenses of ₹ 672.34 lakhs, March 31, 2014 : ₹ 693.48 lakhs)	17,464.74	14,644.64
	19,113.47	16,289.13
Less : Closing inventories	1,342.57	1,648.73
<b>Total cost of material consumed</b>	<b>17,770.90</b>	<b>14,640.40</b>
<b>(a) Products consumed</b>		
- Waste Rubber	16,127.87	13,036.47
- Process Oils	1,093.51	1,440.87
- Other Oils and Chemicals	549.51	163.06
	<b>17,770.90</b>	<b>14,640.40</b>
<b>(b) Import and Indigenous consumptions</b>		
- Imports	613.63	826.28
%	3.45%	5.64%
- Indigenous	17,157.27	13,814.12
%	96.55%	94.36%
	<b>17,770.90</b>	<b>14,640.40</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

	Year ended 31-03-2015	Year ended 31-03-2014
<b>26 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Stock at the end of the year:</b>		
Finished goods	826.93	881.01
Goods-in-transit (Finished Goods)	386.64	398.17
Work-in-progress	242.41	191.69
Stock-in-trade	-	-
Total (A)	<b>1,455.98</b>	<b>1,470.87</b>
<b>Stock at the beginning of the year:</b>		
Finished goods	881.01	928.47
Goods-in-transit (Finished Goods)	398.17	244.86
Work-in-progress	191.69	176.71
Stock-in-trade	-	4.23
Total (B)	<b>1,470.87</b>	<b>1,354.27</b>
<b>Increase / (Decrease) in Stock</b>	Total (A - B)	<b>(14.89)</b>
		<b>116.60</b>
<b>Finished Goods</b>		
- Reclaim Rubber	1,022.75	1,168.05
- Punch & Split Products	93.96	63.92
- Thermo Plastic Elastomers	96.85	47.22
	<b>1,213.56</b>	<b>1,279.19</b>
<b>Work-in-progress</b>		
- Reclaim Rubber	242.41	191.69
	<b>242.41</b>	<b>191.69</b>
<b>27 Employee Benefits expenses:</b>	Year ended 31-03-2015	Year ended 31-03-2014
Salaries, Wages and Bonus	3,921.70	3,234.21
Contribution to Provident fund and Pension fund	168.21	141.52
Gratuity fund	35.86	(0.99)
Contribution to other funds	71.38	70.49
Welfare and other benefits	146.61	106.48
<b>Total employee benefits expenses</b>	<b>4,343.76</b>	<b>3,551.71</b>
<b>28 Finance costs:</b>	Year ended 31-03-2015	Year ended 31-03-2014
Interest on Term & Working Capital Loans	422.68	593.78
Interest on Other Loans	9.04	25.13
Financial Charges	64.19	77.07
<b>Total finance cost</b>	<b>495.91</b>	<b>695.98</b>
<b>29 Depreciation and Amortization expenses:</b>	Year ended 31-03-2015	Year ended 31-03-2014
Depreciation on Tangible Assets	1,452.70	1,226.45
Depreciation on Intangible Assets	19.34	17.97
<b>Total depreciation and amortization expenses</b>	<b>1,472.04</b>	<b>1,244.42</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

30 Other expenses:	Year ended 31-03-2015	Year ended 31-03-2014
<b>Manufacturing Expenses</b>		
Packing Material consumed	813.55	772.53
Stores and Spare Parts Consumed	430.66	419.88
Power, Fuel & Water Consumed:-		
- Power Consumption	3,570.21	3,310.76
- Fuel Consumption	892.61	901.08
- Water Consumption	44.51	43.67
Repairs & Maintenance Expenses:-		
- Plant & Machinerries	237.30	250.86
- Factory Buildings	28.31	14.92
	<b>6,017.16</b>	<b>5,713.70</b>
<b>Sales &amp; Distribution expenses</b>		
Ocean Freight	1,485.41	1,597.38
Marine Insurance	6.83	6.40
Export clearing and Other charges	432.67	437.02
Local freight & Other charges	615.21	499.24
Other Selling and Distribution expenses	89.23	129.04
	<b>2,629.35</b>	<b>2,669.08</b>
<b>Administration &amp; Other Expenses</b>		
Insurance	51.30	57.14
Vehicle Expenses	88.14	77.33
Printing & Stationery	35.02	11.49
Advertisements	14.61	15.77
Rent, Lease Rent & Other Charges	28.26	28.60
Repairs to Other Assets	44.88	51.60
Retainer fees, Legal fees & Prof charges	159.42	143.35
Travelling & Conveyance	172.37	133.73
Postage, Telegram & Telephones	57.22	44.26
Provision for Doubtful Debts	-	0.17
Payment to Auditors:-		
- Audit fee	7.08	6.09
- Tax Audit fee	2.25	1.50
- Taxation matters and other expenses	5.91	2.32
- Reimbursement of expenses	0.21	0.20
Board Meeting Fees	5.44	5.83
Commission to Director	12.00	20.75
Charity and donation	0.02	32.65
Corporate Social Responsibility Expense	55.96	-
Factory / Office Expenses	43.49	35.13
Office electricity expenses	15.02	14.67
Other Expenses	138.26	146.41
Loss on Sale of Assets / Assets Discarded / Impairment	0.53	86.42
Variation in CED on Stock of finished goods	(8.62)	(7.77)
	<b>928.80</b>	<b>907.64</b>
<b>Total other expenses</b>	<b>9,575.31</b>	<b>9,290.42</b>
<b>31 Contingent Liabilities and commitments (to the extend not provided for):</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
(a) Guaranteed by Banks not provided for (Net)	266.90	267.93
(b) Letter of Credit	16.60	-
(c) Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
- Maharashtra Sales Tax	0.74	0.52
- Excise Duty & Service Tax	196.31	168.40
- Income Tax liability	635.77	69.00
(d) Estimated amount of contracts remaining to be executed on capital account.	35.48	75.37
(e) Employees dues not provided for	-	0.25



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

	As at 31-03-2015	As at 31-03-2014
<b>32 Disclosure in respect of Lease:</b>		
<b>Operating Lease</b>		
The company has entered into lease agreement for four vehicles taken on operating lease for a term of 48 months. The future minimum lease payments under non cancellable operating lease are as under		
(a) Not later than 1 year	16.15	13.27
(b) Later than 1 year but not later than 5 years	24.37	31.21
(c) Later than 5 years	-	-
<b>33 Related parties disclosure:</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>A) Relationships</b>		
<b>1) Key Managerial Personnel</b>		
- Rajendra V Gandhi; Managing Director		
- Harsh R Gandhi; Executive Director		
- Ganesh A Ghangurde; President, Chief Financial Officer & Company Secretary		
<b>2) Relatives of Key Managerial Personnel and Entities over which significant influence is exercised by key management personnel or their relatives and with whom transactions have taken place in the ordinary course of business</b>		
- Nayna R. Gandhi, Harsh R. Gandhi, Hemal H. Gandhi, Vaishali R. Gandhi, Nehal R. Gandhi, Mahesh V. Gandhi, Harish V. Gandhi, Mrudula J Shah, Rekha A Kothari, Devyani C Tolia, Varsha H Shah, Chandrika A Kumbhani and Anant G. Ghangurde		
- Rajendra V. Gandhi HUF (Rajendra V. Gandhi is Karta)		
- Aarav Trust (Rajendra V. Gandhi & Harsh R. Gandhi are the Trustees)		
- Aayushi & Aashni Trust (Rajendra V. Gandhi & Harsh R. Gandhi are the Trustees)		
- Nehal Trust (Rajendra V. Gandhi & Harsh R. Gandhi are the Trustees)		
- Harsh R. Gandhi HUF (Harsh R. Gandhi is Karta),		
- Enarjee Consultancy & Trading Company LLP (Rajendra V. Gandhi & Harsh R. Gandhi are the Designated Partners)		
- Industrial Development and Investment Co. Pvt. Ltd. (Rajendra V. Gandhi is Director)		
- Ghatkopar Estate & Finance Corporation Pvt. Ltd. (Rajendra V. Gandhi is Director)		
- Alphanso Netsecure Pvt. Ltd. (Harsh R. Gandhi and Ganesh A. Ghangurde are the Directors)		
- Grip Surya recycling LLP (Jointly controlled entity of subsidiary company (Grip Polymers Ltd.))		
<b>B) Related Parties Transactions</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>1) Summary of transactions with related parties in the ordinary course of business</b>		
<b>A) Key Management Personnel</b>		
Remuneration paid	273.57	280.51
Dividend paid	11.62	13.14
<b>B) Relatives of Key Managerial Personnel and Entities over which significant influence is exercised by key management personnel or their relatives.</b>		
Purchase of goods & Services	-	16.27
Remuneration paid	6.12	5.59
Sitting Fees Paid	0.75	0.75
Dividend paid	52.83	61.65
Interest paid	0.79	10.34
Rent paid	0.18	0.54
Deposit repaid	77.25	6.00
Deposit outstanding payable	-	77.25
Deposit outstanding receivable	-	15.75
Investment in capital account of Partnership Firm	45.92	-
<b>2) Summary of transactions with related parties other than ordinary transactions</b>		
Sale of Flat	600.00	-
Sale of Furniture	65.00	-
<b>C) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with the related parties during the year</b>		
<b>1 Purchase of Goods &amp; Services</b>		
Alphanso Netsecure Private Limited	-	16.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

<b>2 Remuneration Paid</b>		
Rajendra V Gandhi	82.37	95.90
Harsh R Gandhi	119.28	89.40
Ganesh A Ghangurde	71.93	95.21
<b>3 Sitting Fees Paid</b>		
Maresh V Gandhi	0.75	0.75
<b>4 Dividend paid</b>		
Harsh R Gandhi	8.34	9.49
Maresh V Gandhi	10.73	12.77
Rajendra V Gandhi HUF	6.78	7.71
Enarjee Consultancy & Trading Company LLP	8.50	14.60
<b>5 Interest paid</b>		
Nehal R Gandhi	0.09	1.23
Aayushi & Aashni Trust	0.12	1.44
Aarav Trust	0.10	1.48
Nehal Trust	0.17	2.13
<b>6 Rent paid</b>		
Industrial Development and Investment Co. Pvt. Ltd.	0.18	0.54
<b>7 Deposit repaid</b>		
Nehal R Gandhi	8.50	1.50
Aayushi & Aashni Trust	11.50	-
Aarav Trust	10.00	2.00
Nehal Trust	17.00	-
<b>8 Deposit outstanding payable</b>		
Nehal R Gandhi	-	8.50
Aayushi & Aashni Trust	-	11.50
Aarav Trust	-	10.00
Nehal Trust	-	17.00
<b>9 Deposit outstanding receivable</b>		
Industrial Development and Investment Co. Pvt. Ltd.	-	15.75
<b>10 Sale of Flat</b>		
Rajendra V Gandhi	600.00	-
<b>11 Sale of Furniture</b>		
Rajendra V Gandhi	65.00	-
<b>34 Research &amp; Development Expenditure:</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2015</b>	<b>31-03-2014</b>
Accounting for Research & Development expenditure incurred :		
(a) Capital Expenditure incurred on Equipments & Machinery (includes ₹ 38.98 lakhs Capital work in progress of last year now capitalised)	301.78	225.11
(b) Capital Expenditure incurred on Buildings, Furniture & office equipments	327.93	-
(c) Capital Work in Progress	7.04	38.98
(d) Revenue Expenditure incurred towards the R&D Projects	217.10	75.62
The sales income of ₹ 0.37 lakhs from sale of Pilot plant trial material has been included in Sales revenue and above expenditure is debited to respective head of accounts.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

35 Segment Reporting:	As at 31-03-2015	As at 31-03-2014
Segment reporting as required by Accounting Standard 17 issued by the Institute of Chartered Accountant of India.		
<b>1 Segment Revenue</b>		
a) Reclaim Rubber (Net of Excise Duty) *	33,111.94	29,852.87
b) Power	66.25	68.85
c) Others **	378.26	480.26
<b>Net Segment Revenue</b>	<b>33,556.45</b>	<b>30,401.98</b>
* Reclaim Rubber includes crumb rubber, punch & split products ** Others includes Thermo Plastic Elastomers & Trading Goods		
<b>2 Segment Results Profit(+) / Loss(-) before Tax and interest from each segment)</b>		
a) Reclaim Rubber	2,571.48	3,576.54
b) Power	36.21	26.18
c) Others	(302.30)	(49.89)
<b>Sub Total</b>	<b>2,305.39</b>	<b>3,552.83</b>
Less: Interest, Un-allocable expenditure & Un-allocable Income (net of expenses)	1,202.30	1,774.43
<b>Profit Before Tax &amp; Extra Ordinary Item</b>	<b>1,103.09</b>	<b>1,778.40</b>
Less: Extra Ordinary Item	-	-
<b>Profit Before Tax</b>	<b>1,103.09</b>	<b>1,778.40</b>
Provision for Taxation:		
- Income Tax	291.47	297.84
- Deferred Tax	(75.56)	396.01
<b>Profit After Tax</b>	<b>887.18</b>	<b>1,084.55</b>
<b>3 Other Information</b>		
<b>I Segment Assets</b>		
a) Reclaim Rubber	19,287.64	20,612.13
b) Power	268.47	286.69
c) Others	1,153.68	806.06
d) Un-allocated Assets	2,837.04	2,544.43
e) Total	<b>23,546.83</b>	<b>24,249.31</b>
<b>II Segment Liabilities</b>		
a) Reclaim Rubber	4,970.60	6,658.77
b) Power	1.06	52.66
c) Others	98.08	83.64
d) Un-allocated Liabilities	7,202.55	6,867.72
e) Total	<b>12,272.29</b>	<b>13,662.79</b>
<b>III Capital Expenditure (Including Capital Work in Progress)</b>		
a) Reclaim Rubber	1,426.82	1,114.38
b) Power	0.14	8.90
c) Others	497.66	321.49
d) Unallocable	29.83	64.41
e) Total	<b>1,954.45</b>	<b>1,509.18</b>
<b>IV Depreciation</b>		
a) Reclaim Rubber	1,284.63	1,101.82
b) Power	14.69	27.22
c) Others	60.48	21.12
d) Unallocable	112.23	94.26
e) Total	<b>1,472.03</b>	<b>1,244.42</b>
<b>V Non Cash Expenditure other than Depreciation</b>		
a) Reclaim Rubber	0.53	81.67
b) Power	-	-
c) Others	-	0.17
d) Unallocable	-	4.75
e) Total	<b>0.53</b>	<b>86.59</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakh)

**4 Information about Secondary Segments**

(i) Revenue & Sundry Debtors as per Geographical Markets

Particulars	Revenue		Trade Receivable	
	2014-15	2013-14	2014-15	2013-14
India	9,411.38	9,220.28	1,613.98	1,871.64
Outside India	24,145.07	21,181.71	3,434.28	3,125.91
Total	33,556.45	30,401.99	5,048.26	4,997.55

(ii) The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence separate figures for fixed assets / additions to fixed assets cannot be furnished

**36 Jointly controlled entity:**

The Company has the following investment in a jointly controlled entity

Name of the Jointly controlled entity	Country of Incorporation	Proportions of ownership interest as on 31-03-2015
Gripsurya Recycling LLP	India	50%

The company's share of each of the assets, equity & liabilities, income and expenses in the Jointly controlled entity, based on the audited financial statements are as follows:

	As at 31-03-2015	As at 31-03-2014
<b>I Assets</b>		
<u>Tangible Assets</u>		
Land	29.35	-
Capital WIP	3.34	-
<u>Cash &amp; Bank Balance</u>		
Cash in hand	-	-
Balance with bank	5.07	-
Short Term Loans & Advances	6.14	-
<u>Other Current Assets</u>		
Deposits	2.09	-
Miscellaneous Expenditure	1.23	-
<b>II Liabilities</b>		
Other Current Liabilities	0.31	-
<b>III Income</b>	-	-
<b>IV Expenses</b>	-	-
<b>V Share of Contingent Liabilities</b> (Guarantee given if any)	-	-

**37 Corporate Social Responsibility Expenditure:**

	As at 31-03-2015	As at 31-03-2014	
a) Gross amount required to be spent by the company during the year.	55.96	-	
b) Amount Spent during the year on:			
	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	55.96	-	55.96

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015** (₹ in lakh)

<b>38 Earnings per share:</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
- Net Profit after tax for the year	946.08	1,083.79
- Excess Provision for tax for earlier years	58.90	(0.79)
- Net Profit attributable to Equity Shareholders	887.18	1,084.58
- Number of equity shares of ₹ 10/- each.	1,333,333	1,333,333
- Earnings per share - Basic	66.54	81.34
- Earnings per share -Diluted	66.54	81.34

**Other Notes**

- 39** During the year a sum of USD 6.38 lakhs equivalent to ₹ 398.98 lakhs being receivable from a debtor has been remitted away by the customer to an account other than that of the company by fraudulent means. The company has lodged a FIR with Police department and has also taken up the matter with the customer, and is hopeful of recovering full amount, hence the same is not treated as doubtful and no provision is made in the accounts for the same.
- 40** The company has paid commission to an independent Non Executive Director which is more by ₹ 1 lakh than 1% of net profit and the same has been recovered from him during the current Financial Year.
- 41** Exceptional items represents profit on sale of residential flat including furniture and fixtures to the Managing Director of the company.
- 42** Expenses debited to Profit & Loss account include prior period expenses ₹ 33.32 lakhs (March 31, 2014 : ₹ 14.71 lakhs)
- 43** Closing stock of Finished Goods include excise duty of ₹ 82.14 lakhs (March 31, 2014 : ₹ 90.76 lakhs)
- 44** During the year GRIP Polymers Limited, a subsidiary of the company has entered into Joint Venture agreement with Gripsurya recycling LLP hence proportionate share in the jointly controlled entity has been consolidated for the first time in the current financial year.
- 45** In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised, in the ordinary course of the business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 46** Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

For and on behalf of the Board of Directors

**For A. B. Modi & Associates**  
Chartered Accountants  
ICAI Firm Registration no. 106473W

**Rajendra V Gandhi**  
Managing Director

**Rajesh S. Shah**  
Partner  
Membership no. 017844

**Harsh R Gandhi**  
Executive Director

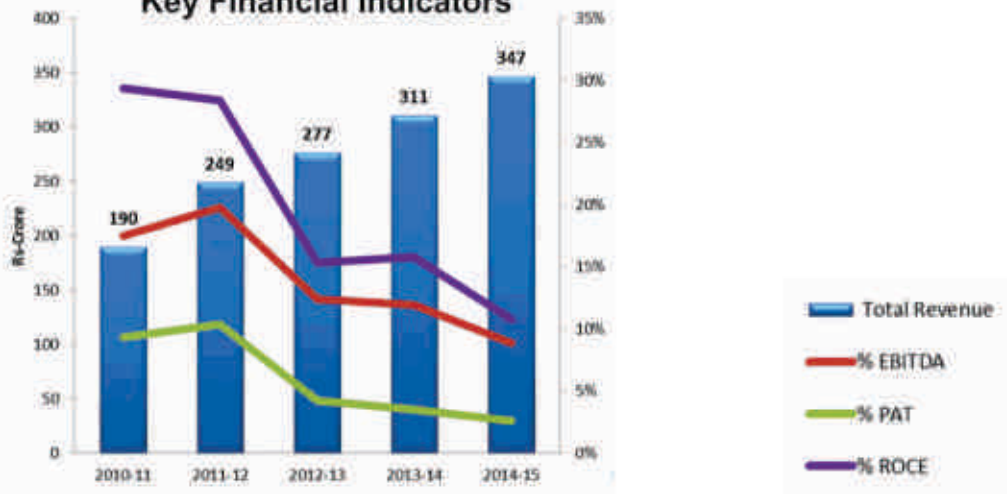
Place : Mumbai  
Date : 30th May, 2015

**Ganesh A Ghangurde**  
President & Chief Financial Officer &  
Company Secretary

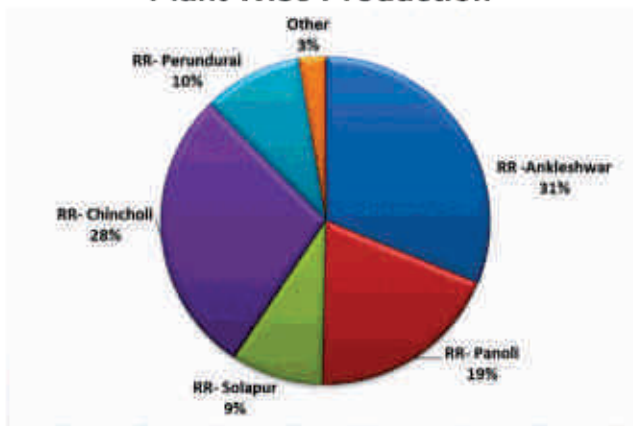
Place : Mumbai  
Date : 30th May, 2015



### Key Financial Indicators



### Plant Wise Production

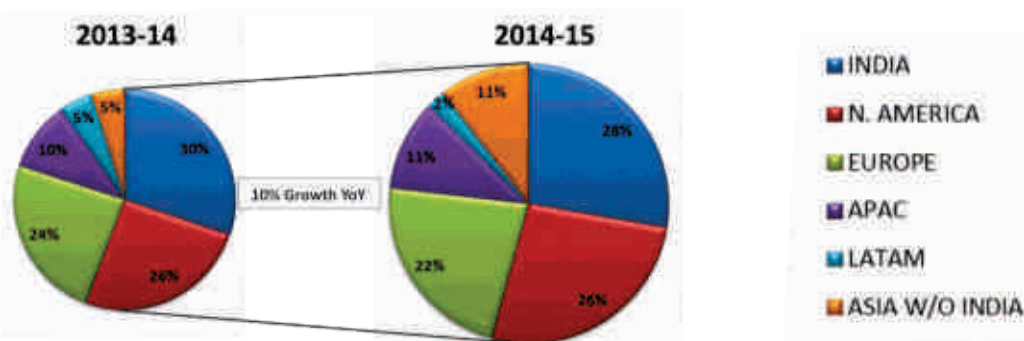


### No. of Countries (Exported)

New Customer Contribution In 2014-15 >> 9%



### Sales Revenue - Continent Wise



# A 40 YEAR JOURNEY

